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Uno Resignation Clouds Japan Future

By Patrick L. Smith
International Herald Tribune

TOKYO — The decision of Japan's 18th postwar prime minister to resign, announced Monday even before the stunning electoral defeat of the governing Liberal Democratic Party was fully reported, has pushed this nation into a political desert in which there are no maps, no roads and no landmarks.

More immediately to the point, Sosuke Uno's impending exit after a tempestuous two months in office has left Japan with no obvious candidates to guide it toward a future crowded with greater global responsibilities and complex challenges both at home and abroad. He will remain in office as caretaker prime minister until a successor is announced.

His resignation, which came earlier than had been expected following the party's defeat, contributed to the growing sense of suspended animation throughout Japan. Together with broad opposition gains in legislative elections Sunday, Mr. Uno's television appearance transformed once-assured policies into the objects of a guessing game.

Would tax reform, farm liberalization and market-opening measures — all essential to Japan's "internationalization" effort — proceed under Liberal Democratic leadership, or be rolled back by the Japan Socialist Party and other victors? Suddenly, in a nation long possessed by deep fears of disorder, the way ahead was clouded.

There are some near-certainties, at least. Trade talks with

NEWS ANALYSIS

Washington, which entered a new phase only a few months ago, are likely to slow in coming months. Japan's ties with South Korea, an important element in the East Asian security equation, could be complicated by Socialist disapproval of the bilateral treaty between Tokyo and Seoul and their long flirtation with the Communist North.

Given that Japanese voters have effectively ended four decades of rule by a conservative elite in favor of an age of coalition politics, such fundamental shifts may prove inevitable. But Mr. Uno's resignation, even more than Noboru Takeshita's two months ago, underscored the continuing difficulties this passage is likely to entail.

"Anybody who tells you he knows who this country's next leader will be is simply not telling the truth," said a Liberal Democratic aide in the Diet, Japan's legislature. "Nobody knows. We have no idea where we're going."

Nor does anyone appear to know how to guide the popular political forces unleashed in Sunday's elections to the Diet's upper house. The Liberal Democrats appeared Monday to sink deeper into a division between those who recognize the urgency of the moment and those who persist in denying it.

Along the sidelines are several elder statesmen — among them former Prime Ministers Zenko Suzuki and Takeo Fukuda, as well as Masayoshi Ito, a former foreign minister and chief cabinet secretary — who have come to speak like a Greek chorus, warning of the dangers ahead but seemingly unheeded by the party's active leadership.

One test of the Liberal Democrats' intentions will be in the selection of its next leader in coming days. While many younger legislators have begun to demand that the party president, who automatically becomes prime minister, be chosen in an open election within the party, others doubt a new degree of democracy will replace methods that are clearly failing.

"The selection of the next national leader will proceed behind the scenes, as it always has," said Seisaburo Sato, a Tokyo political scientist. "The Young Turks make noises, but they aren't so loud or so disturbing."

Mr. Sato, with other political observers, asserted that it was likely that the line of succession within the party, which appeared to have been broken by the involvement of most senior officials in the Recruit stock-trading scandal, would eventually resurface.

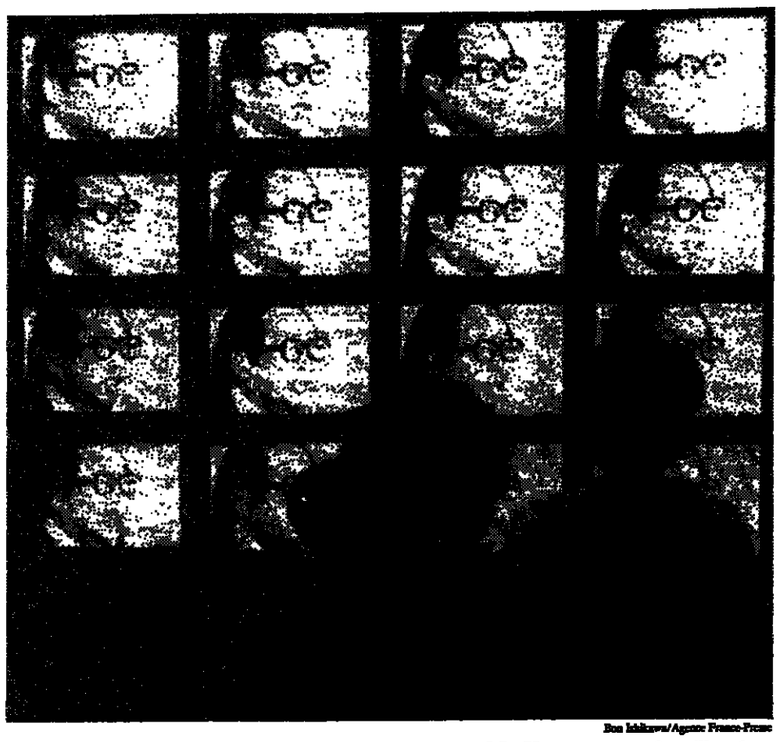
A year from now, they said, Shintaro Abe, the former secretary-general, or Michio Watanabe, former head of the party policy committee, both tainted in the Recruit affair, could run as party leader and prime minister.

Whether or not party leaders revive the candidacy of Mr. Ito, 75, will be another important gauge of their perspective. Internal talks with Mr. Ito, who was proposed as a successor to Mr. Takeshita, collapsed because of his insistence on extensive political changes. But they have started again over the past several weeks.

Liberal Democratic factions were to begin separate emergency meetings Tuesday to discuss responses to Sunday's election set-

See UNO, Page 2

The Japanese start the hunt for a successor to Mr. Uno. Page 2.



Ron Ishikawa/Agence France-Presse

Tokyo passers-by watching television monitors Monday as Mr. Uno announces he will resign.

PLO Link To Shamir Reported

Palestinians Says West Bank Arabs Report to Arafat

By Joel Brinkley
New York Times Service

JERUSALEM — Prime Minister Yitzhak Shamir has been meeting with West Bank Palestinians loyal to the Palestine Liberation Organization, who have then been sending reports of the meetings to PLO leaders in Tunis, Palestinians said Monday.

The prime minister's office acknowledged that Mr. Shamir has been holding meetings with Palestinians over the last 10 days, to discuss the government's plan for Palestinian elections in the occupied territories. But officials would not disclose the identities of the participants.

No one in the Palestinian population, including two men widely cited as participants in meetings, will admit to having met with Mr. Shamir, possibly because they are afraid of reprisal from other radical Palestinians.

But if the information from several well-informed Palestinians is correct, it lends credence to the recent assertions by Palestinians and leftist Israelis that the Israeli government has in effect been involved in indirect dialogue with the PLO, despite the fervent assertion of Mr. Shamir and others around him that the government would never talk to the PLO in any manner.

Yosef Ahimeir, Mr. Shamir's cabinet secretary, acknowledged Monday that the Palestinians who have been meeting with Mr. Shamir might have been reporting the meetings to PLO leaders.

"Theoretically, information can be transferred from one to another," he said. "We cannot control the route of the information, but it can go on. I would not exclude it."

In an interview with an Italian newspaper, Il Messaggero, on Sunday, Yasser Arafat, the PLO chairman, said he blessed the meetings and had been getting reports on them.

"None of these meetings was against our will," Mr. Arafat was quoted as saying. "We approved them from the beginning, and after the talks we received complete reports from our cadres." He then held up what was purported to be a typed transcript of a meeting with Mr. Shamir provided by one of the Palestinian participants.

Several knowledgeable Palestinians have been reporting the names of at least two people, both open supporters of the PLO, who are said to have met with Mr. Shamir, and their names also appeared in the Israeli press Monday.

One is Jamil Taiffi, a Ramallah lawyer, former deputy mayor of El Bireh and a well-known supporter of El Fatah, Mr. Arafat's wing of the PLO. The other is Ezzedin Arian, head of a medical aid society in the West Bank. Mr. Arian is a PLO supporter who was once nominated to serve on the Palestine National Council, which the PLO considers its parliament in exile, and was later placed in an Israeli prison because of his political activities.

But in interviews, both men vehemently denied meeting with Mr. Shamir. "I deny this completely," Mr. Arian said.

The prime minister's office refused to confirm or deny that Mr. Shamir had met with the men. Mr.

See ISRAEL, Page 2

Kiosk

U.K. Is Urged To Track Nazis

LONDON (NYT) — A war crimes inquiry report published Monday recommended changes in British law to allow prosecutions for Nazi crimes allegedly committed by immigrants who have since become British citizens, and said that there was already enough evidence to convict three such persons living in Britain.

The report urged the government to introduce legislation "as quickly as possible," but Home Secretary Douglas Hurd said Monday that the government would decide whether to pass a new law only after both houses of Parliament debate the issue this autumn.

Time Bid Approved

The Delaware Supreme Court dealt a fatal blow to Paramount Communications Inc.'s $12.2 billion hostile bid for Time Inc. on Monday, upholding the ruling of a lower court that allows Time to proceed with a $14 billion tender offer for Warner Communications Inc. (Page 7.)

Reuters

The fashion-based business empire of Bjorn Borg is in financial difficulty, his business partner says. Page 14.

General News

Why is Leona Helmsley's lawyer saying all those awful things about her? Page 3.

Fashion

Gianfranco Ferré's debut as Dior's designer was an exercise in uptight chic. Page 6.

Crossword Page 5.

Dow Close	The Dollar In New York	
Down 22.38	DM	1.8969
	Pound	1.6255
	Yen	142.555
	FF	6.428

Gorbachev Moves Elections Up to Combat Spread of Strikes

By Bill Keller
New York Times Service

MOSCOW — President Mikhail S. Gorbachev scrambled Monday to prevent new outbreaks of labor unrest by offering workers a chance to take out their fury on local party, government and union officials at the ballot box.

The Soviet leader reversed an earlier decision to postpone nationwide local elections until 1990, proposing instead that each republic decide on its own when to take this critical next step in his program of democratization.

Early local elections have been a key political demand of striking coal miners, who say they have no faith in the city and regional officials named to their posts before Mr. Gorbachev introduced a true choice in voting.

Mr. Gorbachev spoke at a meeting of the Supreme Soviet, the legislature, where grim coal-region deputies described the strikes as a national "scream of despair" and predicted "a chain reaction" of walkouts in other industries.

The Soviet leader called for special meetings of local party committees, government councils and trade union organizations to hear the complaints of workers and consider their demands — including the removal of unresponsive party and government bosses.

In essence, Mr. Gorbachev was trying to co-opt the strikers — and potential strikers in other industries — into his campaign for change by inviting them to take part in a housecleaning of local bureaucrats blamed for retarding economic improvements.

If he succeeds, he could at a stroke defuse the most serious known labor unrest since the 1920s, and enlist a new grass-roots force behind the social restructuring he calls *perestroika*.

But it is not clear that Mr. Gorbachev's strategy will be enough to contain the cascade of frustration pouring forth from the workers.

At the Supreme Soviet on Monday, coal-region legislators said some strikers had even more ambitious political demands, including independent trade unions, partial cancellation of elections in March and constitutional changes to limit the role of the Communist Party.

Another emerging problem is the cost of satisfying the immediate economic demands of the strikers.

Viktor G. Kucherenko, chairman of the legislature's new Planning and Budget Commission, said in an interview that the cost of promised pay increases, housing and consumer goods for coal miners alone could add 5 billion rubles ($8 billion) to the already serious budget deficit.

Strikers in most of the major coal regions have begun returning to work after the wildcat walkouts that paralyzed the coal industry for two weeks, but some are holding out for more concessions and for clearer guarantees that the government's promises will be kept.

About half of the 125 mines in the Donets Basin, the country's largest coalfield, remained idle Monday as miners awaited the outcome of a meeting in Moscow between a striker delegation and Prime Minister Nikolai I. Ryzhkov.

Work was reported back to normal in the Kuznetsk Basin of western Siberia and the Karaganda pits, but the Soviet press and local officials said the walkout continued in the Pechora coalfields of the Far North and in the Pavlograd and Voroshilovgrad regions of the Ukraine.

The strikes have already given birth to a fledgling movement for independent labor organizations to replace the official unions that are despised as an arm of management.

Since Soviet industry is all state-owned, the strikers have broadened their demands far beyond the call for better union representation to include accelerated elections and more local economic autonomy.

They want local officials who will demand that profits be put back into the local communities, and laws that will loosen the grip of the Communist Party apparatus and ministries in Moscow.

While Mr. Gorbachev may have

See STRIKE, Page 2

Thatcher Promotes Howe in Reshuffle

By Glenn Frankel
Washington Post Service

LONDON — Prime Minister Margaret Thatcher, spurred by polls showing her party trailing the Labor Party in popularity, carried out a radical shakeup of her cabinet on Monday that included the shift of the veteran foreign secretary, Sir Geoffrey Howe, to deputy prime minister and his replacement by a virtual unknown, John Major.

The shakeup, which analysts called the biggest cabinet reshuffle in Mrs. Thatcher's 10 years in office, included the promotion of some politicians not identified with her rightist views and the removal of some of her closest loyalists.

But the biggest surprise was the move of Sir Geoffrey, 62, one of the West's most senior foreign affairs leaders, who will now serve as Conservative Party leader in the House of Commons and whose responsibilities will shift largely to domestic issues.

Analysts saw the move as in part a concession by Mrs. Thatcher to party elders who were alarmed by recent polling results showing a resurgence of the opposition Labor Party and wanted a veteran political moderate like Sir Geoffrey overseeing the government's policies.

But it also removed a foreign secretary with whom the prime minister has had increasing disagreements over Britain's role in Europe. Sir Geoffrey favored greater British economic integration with the Continent, while Mrs. Thatcher is deeply suspicious of such involvement.

His successor, Mr. Major, 46, is a high school dropout and successful banker who has only been a member of Parliament for 10 years and a cabinet minister for two.

Mr. Major's promotion, which immediately marked him as a possible successor to Mrs. Thatcher, may cause discomfort among Britain's allies who are used to the experienced and intellectual Sir Geoffrey, who served for six years in the post.

Nicholas Ridley, the environment secretary, was one of those shifted, moving out of the highly visible environment post into the less controversial job of secretary for trade and industry. Others who lost out included Social Security Secretary John Moore, once a rising political star who shocked even Conservatives by declaring "there is no poverty in Britain," and Transport Secretary Paul Channon.

Among the biggest winners were two politicians who have not been associated with Mrs. Thatcher's rightist policies. Kenneth Baker, the education secretary who now becomes party chairman, is considered among the centrist Conservatives who espouse much the same ideological lines as liberal Republicans in the United States.

While Mrs. Thatcher has little use for Mr. Baker's politics, she is said to admire his speaking abilities and dashing public image, tools that will prove useful for the high-profile office of chairman during the months preceding the next election, which is expected to take place in 1991.

He replaces a Thatcher loyalist, Peter Brooke, who moves to the difficult task of secretary of state for Northern Ireland.

Tom King, who has won high marks here as the Northern Ireland secretary, will become secretary of defense later this week after the resignation of George Younger. Another Thatcher favorite also being promoted is Cecil Parkinson, who moves to the Transport Ministry after serving as secretary for energy.

The Associated Press

John Major, Britain's new foreign secretary, after the Thatcher cabinet reshuffle Monday. He was chief secretary to the treasury.

Bush Calls Spy Case A 'Serious Matter'

Compiled by Our Staff From Dispatches

WASHINGTON — President George Bush said Monday that he had known for some time of espionage allegations against a senior U.S. diplomat and called the affair a "very serious matter."

But in his first public comment on the investigation of Felix S. Bloch, the former second-ranking officer at the U.S. Embassy in Vienna who is suspected of spying for Moscow, Mr. Bush said he had no way of assessing the damage to national security.

If a person is "allegedly involved in betraying his country," Mr. Bush said at the start of a meeting with the Senate Armed Services Committee, "that to me is a very serious matter."

Asked about the the potential impact on U.S. national security, the president said: "I don't think anyone could give you a full damage assessment at this point." He declined to elaborate, saying he did not want to prejudice the case.

Mr. Bloch was reported to be under heavy FBI surveillance at a private residence north of New York City, although he has not been formally charged or arrested.

ABC News said Sunday that U.S. authorities were apparently trying to use a public spotlight to goad Mr. Bloch into telling them details of any espionage in which he may have been involved.

Asked how the case would affect U.S. relations with the Soviet Union, Mr. Bush replied, "It doesn't help any." But he added that espionage between nations was to be expected and that it reflected more on the individuals involved. "The minute I heard about it, I was aggrieved," he said.

The State Department announced Friday that Mr. Bloch, 54, was the subject of a probe into "illegal activities" involving "agents of a foreign intelligence service."

Asked why Mr. Bush had commented on a case still under investigation, the White House spokesman, Marlin Fitzwater, replied,

See DIPLOMAT, Page 2

Latin Debts: Lack of Consensus

Washington Is Awash in Arguments, Dry on Agreements

By Sarah Bartlett
New York Times Service

NEW YORK — When U.S. Treasury Secretary Nicholas F. Brady outlined a proposal in March to attack the Third World debt problem, he raised hopes in countries such as Mexico, Venezuela, Brazil and Argentina that something finally was being done to help alleviate a burden that was crushing their economies.

But it has taken four months for high-level bankers and Mexican officials to produce the first concrete results of that proposal, a debt-reduction accord that was reached Sunday night after marathon negotiations. (Page 7)

The painful nature of those talks raises questions about whether Mr. Brady's plan can be successfully applied to the debts of other Third World countries, and, if it can be, whether it will do much to address Latin America's deep-rooted economic problems.

Since Mexico is the one country that has made significant progress in opening its economy — and is therefore considered the most deserving of aide — many think that the major Latin American debtors whose economies are in greater turmoil are not likely to see as concerted an effort on debt reduction.

"I would not say that Mexico is going to be a cookie-cutter for others," said William R. Rhodes, chief debt negotiator for Citicorp. Citicorp takes the leading position on many of the bank committees that negotiate with the large debtors.

Despite endless debt reschedulings and growing impoverishment, countries like Brazil, Argentina, and Mexico are still paying out more money than they are receiving in new loans.

James A. Baker 3d, the former U.S. Treasury secretary, tried to break the deadlock in 1985 by offering both sides a carrot: encouraging new lending by international organizations and private banks if the countries would introduce policies that emphasized free markets instead of state control.

But neither side cooperated sufficiently, and the process soon ground down with fatigue.

Mr. Brady's initiative goes further, offering debt relief, rather than just new loans, to countries that undertake policies that favor private investment.

In his plan, financing from international organizations would be used to enable debtors to guarantee that a portion of their remaining bank loans would be repaid.

Both proposals thrust the U.S. government into a position of greater responsibility. But Washington is sharply divided over the wisdom of that step.

Some officials at the Federal Reserve Board and the Treasury think it is inappropriate for the administration to be meddling with decision making in other countries or in the board rooms of banks. Others think that even if that is the right approach, the government does not have enough leverage with either side to make a real difference. It is inconsistent, many argue, to try to orchestrate debt relief when other parties are the ones who have to implement it.

The arguments for greater U.S. involvement have always been diffuse, at times engaging constituencies such as bank regulators, congressmen and national security experts. Among the concerns are the threat Latin American debt

See DEBT, Page 12

The Debt Quandary

Latin America and the Banks

First of three articles

For Afghan Nomads, Home Is on the Battlefield

By James Rupert
Washington Post Service

DASHT-I-CHEMTALA, Afghanistan — Watching his sheep from a tent on a rocky hillside, Sayed Azam is a wizened testament to survival. During a decade of war in Afghanistan, Mr. Azam, a member of Central Asia's dwindling population of nomads, has lived on the battlefield.

Since 1979, Afghan Communists, monarchists and Islamic fundamentalists and the Soviet Army have fought over Mr. Azam's country with weapons and ideologies. Mr. Azam and his group of a dozen nomad families have tried to ignore it all, herding their flocks each summer to high pastures north of Kabul and each winter to the plains near Jalalabad.

"We don't have any weapons," Mr. Azam said. "We just want to live our lives in peace, to go with the sheep."

But in an age in which Central Asian nomads have faced persistent pressure to settle in one place, Afghanistan's war has been a particular threat to their migratory life.

Mr. Azam, who says he is between 60 and 70 years old, sat on blankets in his tent and talked about his life as he urged two visitors to eat their breakfast of sheep's milk and tea. Outside, as the sun began to heat the cool morning air, children played in the dust and women baked flat bread in an underground oven.

Indicating a range of high, gray mountains to the north, he said: "That is Shakar Darra, where we used to take our sheep. There is more forage there and more water."

But there also is war at Shakar Darra, so Afghan soldiers have directed Mr. Azam's group to meaner summer grounds: a dry slope less than five kilometers (three miles) north of Kabul's congested sprawl.

The restrictions on his movements gall Mr. Azam and make him a poorer man. The sparser forage has forced him to pare his herd from as many as 350 sheep before the war to barely 100 now. Even though the nomads try to avoid areas of combat, the war takes its toll. Shells and rockets fall and antipersonnel mines kill sheep and shepherds.

In Afghanistan, nomads are called *kuchis*, which is Persian for campers. Western scholars estimated during the 1970s that about two million kuchis ushered their herds annually from valleys to mountains, offering sedentary villagers sheep, milk and cheese, as well as goods brought from distant towns.

Wealthier kuchis often served as itiner-

See NOMADS, Page 2

Hunt for Uno Successor Starts

Outgoing Prime Minister Hopes for Decision in 30 Days

Compiled by Our Staff From Dispatches

TOKYO — Finding a replacement for Sosuke Uno could take as long as several weeks, analysts said Monday following the prime minister's announcement that he was resigning.

Mr. Uno took the blame for his party's electoral defeat, in which it lost control of a house of parliament for the first time in its 34 years.

"All of the responsibility for this defeat is on me," he said.

The prime minister, whose seven-week tenure in office was badly damaged from the outset by a sex scandal, said he expected his replacement to be chosen within 30 days in an extraordinary session of the Diet.

He will remain in his post until a successor is found.

In the balloting for half the 252 seats in parliament's upper house, the big winner was the Japan Socialist Party, led by Takako Doi, the first woman leader of a major Japanese party.

Of 126 seats at stake, the Socialists won 46, the Liberal Democrats 36. The Socialists in the chamber rose from 43 to 66; the Liberal Democrats fell from 142 to 109.

Rengo (Confederation), a new labor-based group, won 11 seats and the centrist Clean Government Party 10, with the rest split among smaller parties.

Ms. Doi said her party quickly will call a meeting of opposition leaders to form a coalition against the Liberal Democrats, who still hold 293 of the 512 seats in parliament's more powerful lower house.

Ms. Doi, 60, is the first woman to serve as a party leader in modern Japanese history and has proven highly popular with voters — particularly women, who are especially resentful over a new sales tax and a sex scandal involving Mr. Uno's relationship with at least two geishas.

A record 146 women candidates ran for office Sunday, and a record 22 were elected, more than doubling female representation.

About 65 percent of Japan's 90 million eligible voters went to the polls Sunday to vote for half the seats in the upper house of parliament, culminating an extraordinary year of scandal revelations and unpopular policies pushed through by the ruling party.

Even though Japan is completing its third straight year of booming economic growth, voters have become increasingly angered by high taxes and prices, especially the high cost of land.

Mr. Uno's departure will result in the dissolution of the cabinet and restructuring of the governing party's leadership.

But the loss of its upper-house majority does not mean that the Liberal Democrats must hand over the reins of government to the opposition, because the party still commands a majority in the lower house of parliament, which is by far the more powerful of the two chambers and chooses the prime minister.

However, a divided Diet could lead to legislative paralysis. That, in turn, may mean that the Liberal Democrats will be forced to accede to general elections as early as this fall, even though its popularity is at a low ebb. Legally, they do not have to be held for 12 months.

Any coalition is expected to be fragile. While most major opposition parties have called for abolishing the sales tax, they vary broadly on other issues such as defense policy, relations with the United States, and nuclear power.

While Ms. Doi is personally popular, her party has been widely accused of lacking a realistic and constructive platform.

In the past, it has called for Japan to disband its Self-Defense Forces and scrap the U.S.-Japan Security Treaty, under which 64,000 U.S. troops are stationed in Japan.

Socialist leaders now say they would not immediately do away with the armed forces and seek only to revise the treaty. *(AP, WP)*

■ U.S. Expects Close Ties

A Bush administration spokesman said the United States expects close ties with Japan to continue, regardless of who is chosen to succeed Mr. Uno, The Associated Press reported from Washington.

Marlin Fitzwater, presidential spokesman, said he had no direct comment on the election results in Japan, "simply because it's an internal matter."

T. Kimmitt/Agence France-Presse

Takako Doi, the Socialist leader, speaking in Tokyo on Monday.

Sihanouk Expects an 'Honorable' Agreement

By Elizabeth Becker
Washington Post Service

PARIS — Prince Norodom Sihanouk, the Cambodian resistance leader, ended the first day of peace talks here Monday by saying he expected that an international peace conference next week will produce "an honorable compromise" that will end Cambodia's 11-year-old war.

Prince Sihanouk met the Vietnamese-installed prime minister of Cambodia, Hun Sen, in a Paris suburb Monday morning but made no new concessions.

After the meeting, the prince said he met with Mr. Hun Sen largely as a courtesy to the French government, which is sponsoring the two-stage conference to force a solution before Vietnam withdraws its last occupation troops this September.

At issue between these two rivals is how to handle the Khmer Rouge in a peace agreement. Mr. Hun Sen offered Prince Sihanouk a comprehensive new proposal Monday that includes a cease-fire in place. With its main force now stationed along the Thai border, this would effectively diminish the Khmer Rouge army's ability to move toward the capital of Phnom Penh.

But as head of a resistance coalition that includes the Khmer Rouge, Prince Sihanouk said he could only discuss such a proposal when his coalition partners join the talks on Tuesday. Sources close to the prince said he wants to use the international conference to win more freedom to drop his obligations as the coalition leader.

At a press conference following the morning session, and a lunch hosted by Prince Sihanouk, Mr. Hun Sen accused the prince of undermining progress made at previous talks, when both men accepted linked goals — the complete withdrawal of Vietnamese troops from Cambodia and the prevention of a return to power by the Khmer Rouge. To drop that last condition now, Mr. Hun Sen said, would make the Cambodian people "hostages to Pol Pot."

This Sunday's international conference is the first devoted to Cambodia.

Mr. Hun Sen warned that "an international conference does not have the right" to impose a solution on the Cambodian people.

■ Baker Going to Paris

Secretary of State James A. Baker 3d will attend the Paris conference on Cambodia next weekend in Paris and will work for a settlement that rules out a return to power of the Khmer Rouge, the State Department said Monday, according to a report from The Associated Press in Washington.

A U.S. official said Mr. Baker probably will also meet there with Foreign Minister Eduard A. Shevardnadze of the Soviet Union. That meeting session could begin preliminary planning for a summit meeting between President George Bush and the Soviet leader, Mikhail S. Gorbachev.

The monthlong conference, involving the five permanent members of the United Nations Security Council — the United States, the Soviet Union, China, Britain and France — is designed to chart Cambodia's future after the last Vietnamese troops leave the country.

"We hope our collective efforts can become another example of how we, the Soviets and others can work together to resolve regional conflicts," the State Department spokeswoman, Margaret Tutwiler, said.

Mr. Baker and the other foreign ministers plan to attend the opening session. The conference will then proceed through the month of August in the form of working-level groups.

"With an international, verified Vietnamese withdrawal, we hope to see a beginning of an end to the tragedy that has beset the Cambodian people for years, and a beginning of a transition to genuine Cambodian self-determination," Ms. Tutwiler said.

UNO: *His Resignation Sends Japan Off Into a Politically Clouded Future*

(Continued from page 1)

back and selections for a new party leader.

For Japan's opposition parties, a long-awaited opening to national power has been instantly invigorating. But even for the Socialists, the big winners in Sunday's elections, the moment appears to have come too soon.

Attention now focuses on whether the Socialists, who have long harbored policies that have little to do with Japanese reality, will be able to evolve a program that will be useful in a coalition of any sort, whether it agrees to work with the LDP or, facing the other way, aligns itself against them.

Opposition party leaders announced Monday that policy-planning negotiations would begin this week in anticipation of an extraordinary session of the Diet next month. In particular, they will seek a common strategy to dismantle the sales tax, which proved the greatest of the Liberal Democrats' many pre-election political mistakes.

But it will be a long climb to respectability. Asked on a nationwide broadcast recently about the Socialists' trade policy, Takako Doi, the party's suddenly heroic leader, agreed pensively with a television commentator that a trade policy was a very interesting idea.

In this sense, the Liberal Democrats will welcome the opposition's new prominence in the Diet. The days are gone, party members said Monday, when it was sufficient for the Socialists and other parties simply to boycott the legislature in hopes of disrupting the policy process and winning public sympathy.

"I don't see that we're faced with such a crisis," said Shizuo Satoh, a first-term Liberal Democratic Diet member. "Now we'll hear the opposition's views, and people will be able to choose openly between ours and theirs."

However quickly opposition weaknesses are manifest, the Liberal Democrats will remain preoccupied by what is essentially a search for solid political ground. At least until lower-house elections are held, probably later this year, Japan is likely to drift under weak leadership at a moment when it is least appropriate.

The last election result, announced Monday afternoon, involved Antonio Inoki, who ran for the Sports Peace Party. A recently retired wrestler, Mr. Inoki's platform rested on the assertion that Japan needed a sports ministry to win more Olympic medals. Mr. Inoki won.

DIPLOMAT: *Bush Calls Spy Affair 'Very Serious'*

(Continued from page 1)

"We normally don't have a situation like this." *(Reuters, AP)*

■ Mock Had Stake in Case

Meanwhile, Edward Cody of The Washington Post reported from Vienna:

When the U.S. ambassador, Henry A. Grunwald, asked for an urgent meeting three weeks ago, Foreign Minister Alois Mock of Austria suspected some unpleasant business was at hand.

The Interior Ministry's Security Bureau had just informed him that the United States was investigating Mr. Bloch for possible espionage on behalf of the Soviet Union. Mr. Mock correctly surmised that Mr. Grunwald was coming to hand over a formal diplomatic notification of the inquiry.

As foreign minister, Mr. Mock had an official stake in the case. Mr. Bloch had been stationed at the U.S. Embassy in Vienna for seven years, until July 1987. For five of those years, he had been deputy chief of mission, with broad, high-level contacts throughout the government of a neutral country known as a bridge between East and West and a traditional meeting point for spies.

But the minister also had a personal stake. The two men became friends more than 30 years ago at the Johns Hopkins University center in Bologna, Italy. With his wife Lucille, whom he also met at Bologna, Mr. Bloch had remained friendly with Mr. Mock over a 30-year career with the State Department, particularly during his long assignment in Vienna.

They were close enough that Lucille Bloch, as chairman of an Austrian-American institute in Washington, stayed at Mr. Mock's home a month ago during a visit to Vienna and accompanied him to a farewell dinner for the Turkish ambassador to Austria on June 20, another guest recalled.

That was about a week before Mr. Mock learned, first from Austrian authorities and then from Mr. Grunwald, that Mr. Bloch was suspected of passing official secrets to the Soviet Union in an involvement with the KGB intelligence agency that may have stretched back more than a decade, the minister said.

"I am very concerned and very shocked," Mr. Mock said at a news conference Monday. "This also applies to many politicians in Austria, who would consider such a thing as impossible."

Spy or not, Mr. Bloch was more than the usual U.S. diplomat in Vienna. He was born in the city on July 19, 1935, to Frederick Francis Bloch and Hetty Henriette Stein.

Three years later, because of their Jewish blood and the advent of Nazi rule, the Blochs fled Austria, first to China, then to New York. The Austrian government, mindful of this tragic heritage, went out of its way to welcome Mr. Bloch when he returned more than 40 years later as a U.S. diplomat, a knowledgeable Austrian editor said.

In addition, Mr. Bloch ran the embassy for a long time as chargé d'affaires between ambassadors, strengthening his political contacts and increasing his reputation as an authoritative U.S. representative.

Perhaps most important, an Austrian official said, Mr. Bloch was No. 2 at the embassy during the ambassadorial tours of two Reagan administration political appointees, Helene A. von Damm and Ronald S. Lauder, whom Austrian officials recall as unprofessional.

"That's why the position of this guy is so important," the official added. "The ambassador is here just to call the Oval Office once a year if something is burning, but the normal business of diplomacy is done by this No. 2 man."

In the Austrian perspective, this was particularly true of Mr. Lauder. First, officials and journalists said, Mr. Bloch served as a respected chargé during the long interim between Mrs. von Damm and Mr. Lauder. Second, they added, Mr. Lauder seemed to pursue the U.S. case against President Kurt Waldheim's record as a Nazi soldier during World War II with unusual vigor, while Mr. Bloch seemed eager instead to cushion the blows to U.S.-Austrian relations.

"Everyone had this idea Lauder was a young, rich guy who had no idea about anything, so it was always Felix Bloch that people contacted," said an Austrian editor who knew them both.

The Waldheim dispute, which resulted in the Austrian president's being banned from the United States, left a legacy of bitterness that still clouds the air in Vienna. Mr. Mock, whose Austrian People's Party supported Mr. Waldheim's election, planned to take up the issue during a visit to Washington that was canceled Friday, just before the news broke in Washington, Austrian sources said.

In his news conference, Mr. Mock denounced with visible anger a report Monday in the Israeli newspaper Yedioth Aharonoth quoting Elan Steinberg, executive director of the World Jewish Congress, as saying that he planned to ask the State Department to investigate reports that Austria was aware of the espionage suspicions and was blackmailing Mr. Bloch for help on Mr. Waldheim.

"This is really monstrous," Mr. Mock said, denying that the Austrian government had any word of the suspicions until three weeks ago.

Georgians Demonstrate In Tbilisi

Compiled by Our Staff From Dispatches

TBILISI, U.S.S.R. — At least 20,000 Georgians, waving flags and shouting "Down with the Russian empire," marched through the capital of Soviet Georgia on Monday while all major enterprises in the city stopped work.

In what appeared to be the biggest demonstration in Tbilisi since troops used poison gas, clubs and sharpened shovels to break up a peaceful protest in April, killing 20 persons, the crowd blocked the city's main street, Prospekt Rustaveli.

"Long live free Georgia, down with the Russian empire," the crowd chanted as the procession reached the square near the government building where the April killings took place.

In Moscow, President Mikhail S. Gorbachev told the Supreme Soviet, the strengthened legislature, that the unrest in the Black Sea region of Abkhazia had spread to Tbilisi, causing "the disorganization of transportation," apparently an allusion to a strike.

Mr. Gorbachev said "the situation became acute" in the city, 1,600 kilometers (about 1,000 miles) south of Moscow.

The marchers sat down in the road and raised their right fists in the air for a minute's silence in an act of defiance and remembrance. The procession then wound through the city for five kilometers before gathering in front of the Academy of Sciences building.

Earlier, a protest strike closed all major enterprises in the city and about half of the public transportation system. The strikers said they were demanding independence for the Georgian Republic and also protesting over recent unrest in the Abkhazia region of Georgia.

Abkhazia is a popular vacation area 275 kilometers west of Tbilisi.

Twenty persons have been killed in the past two weeks in clashes between Abkhazians and Georgians in the Black Sea region, where the Abkhazian minority has been demanding secession from Georgia.

Abkhazians and Georgians blame each other for the ethnic violence. Abkhazians want greater economic independence and cultural rights, while Georgians want the fertile territory retained as part of their republic.

"It's our territory, they only occupied it, and Moscow only listens to them," said a young women, expressing the Georgian view. Ethnic passions are running high throughout the republic.

Police stood by Monday without attempting to intervene during the march. Cars decorated with Georgia's flag sped through surrounding streets, blowing their horns.

Outside the Academy of Sciences, the crowds were addressed by leaders of informal groups, including the Georgian dissident Zviad Gamsakhurdia, who helped spark the campaign for independence from Moscow.

Among those watching the demonstration, which continued late into the night, was the Georgian interior minister, Shota Gorgodze. He did not address the crowd, but stood in silence with a group of senior police officers.

"We want freedom," said an activist, Zviad Kaltaradze. "By that I mean full independence for Georgia. We are convinced we can achieve it. We will win." *(Reuters, AP)*

NOMADS: *Home Is Battlefield*

(Continued from page 1)

ant money lenders, helping farmers pay for a child's wedding or a new plot of land.

The kuchis, most of them ethnic Pashtuns or Baluchis, have remained culturally independent, refusing, for example, to follow the nonmigratory Afghans' custom of veiling women. They are among the last nomads in Central Asia, testimony to Afghanistan's resistance to the outside world's encroachments.

During this century, the settled societies of Central Asia, ruled from cities such as Moscow, Tehran, Kabul and Beijing, have forced millions of nomads to abandon their independent life-styles. In the 1930s, Soviet authorities declared that millions of Kazakh and Uzbek nomads were parasites afflicting the socialist state and, in bloody battles, forced them onto collective farms.

At about the same time, the father of the late shah of Iran closed the Iranian-Iraqi border to Kurdish nomads and suppressed the migrations of other tribes. Since the end of World War II, the spread of irrigation systems in many parts of Central Asia has attracted farmers and state authority to traditional nomad grazing lands.

Still, Afghanistan's nomads followed their ancestors' paths relatively unhindered until 1961, when Pakistan and Afghanistan closed their border, cutting off tens of thousands of nomads from their wintering grounds in southwest Pakistan. But nothing has so torn the fabric of the kuchis' lives as the war. The conflict has made only one concession to the kuchis' desire to be left alone: Following tradition, the government exempts kuchis from conscription.

During the years of the Soviet military intervention, when air attacks were the major counterinsurgency tactic, warplanes or helicopter gunships sometimes bombed and strafed kuchi camps. Mines laid to block guerrilla supply routes have killed kuchis and their sheep instead.

Besides the trauma of war, satisfying the needs of daily life also has been a hardship for those kuchis trying to keep to their migratory traditions. Forced by the fighting to camp close to Kabul, Mr. Azam's family has had trouble getting water.

Mr. Azam seemed most upset that he had nothing beyond tea and sheep's milk to offer his guests. His tent was furnished with only blankets and a heavy wooden camel saddle, and the nomad mourned his poverty.

"It is not a good time for us," he said.

STRIKE: *Voting Moved Up*

(Continued from page 1)

misgivings about a rampant labor movement, he clearly welcomes the workers' help in dislodging the vast network of conservative party and government functionaries.

His comments Monday indicated that this renewal would be at least partly a purge from below, driven by angry workers.

At the Supreme Soviet session, one deputy after another took the podium to declare support for the strikers and to echo their demands for early elections to restore confidence in local leadership.

"The people have been driven to the streets not by a deficit of soap, but by a deficit of justice," Mr. Boiko told the legislators.

Local elections were originally planned for this fall, but were postponed until next year, in part because local Communist officials feared certain embarrassment.

In the election of the national legislature in March, scores of high-ranking Communist officials were trounced by political upstarts.

Vladimir Lushnikov, a deputy from the Far North, read a statement from Pechora miners demanding far-reaching changes in the Soviet political system as the price of settlement.

ISRAEL: *PLO Contacts*

(Continued from page 1)

Ahimeir said Mr. Shamir was meeting only with "local Palestinians, and I can assure you these are not people connected with the PLO."

But he added, "I can assume that most people in the West Bank are supporters of the PLO."

Israeli leftists, including Yossi Beilin, the deputy finance minister and a prominent member of the Labor Party, have been trying for weeks to puncture the prime minister's argument that Israel is not negotiating with the PLO by pointing out that any Palestinian leader who meets with Mr. Shamir will most likely report on the meetings to the PLO.

In addition, Mr. Beilin and others have said, Israel is getting information, directly or indirectly, from United States officials who have been holding meetings with PLO officials in Tunis.

But Mr. Shamir and those around him are unyielding in their assertion that they have not and will never hold any form of dialogue with the PLO and are uninterested in anything PLO leaders have to say.

WORLD BRIEFS

Poland to Get $120 Million in EC Aid

BRUSSELS (AP) — Agriculture ministers of the 12 nations of the European Community approved Monday a $120 million food aid program for Poland, which has been hard hit by shortages.

The ministers agreed to send grains, meat, olive oil and citrus fruit from surplus stocks to Poland this year and next.

The EC also said that 23 countries had also been invited to meet on Aug. 1 in Brussels to draft plans for a special program that will encourage economic changes in Poland and Hungary. This is in response to a request by President George Bush and other Western leaders at their recent Paris summit.

Lebanese Rivals Vow to Cooperate

NICOSIA (Reuters) — Two rival Shiite Muslim groups that have frequently clashed in Lebanon, Amal and Hezbollah, issued a statement Monday in Tehran pledging to normalize their relations and wage a joint struggle, the Iranian news agency IRNA reported.

Amal is backed by Syria, Iran's only Arab ally. Hezbollah, the Party of God, is closer to the Shiite fundamentalism of the late Iranian leader, Ayatollah Ruhollah Khomeini. During the Lebanese civil war, the two groups have often battled in Beirut and the south.

The agency, monitored in Cyprus, quoted the former rivals as saying that they would fight Israel, Iraq and the Lebanese Christian leader, Major General Michel Aoun, until they achieved "a just political system of government in Lebanon based on equality and honorable coexistence among all Lebanese people."

Court Delays Trial of Ex-CIA Man

WASHINGTON (AP) — A federal appeals court, issuing an emergency stay Monday at the request of the Justice Department, delayed the trial of Joseph Fernandez, the CIA's former station chief in Costa Rica, on charges connected to the supply of arms to Nicaraguan rebels.

The appeals court in Richmond put off the trial in order to address national security issues that are threatening to kill the case. U.S. District Court Judge Claude Hilton told a pool of prospective jurors to go home, saying he would call them back after the appeals court has had "the opportunity to rule on the national security questions."

Earlier the judge rejected motions by the prosecutors that would have allowed the CIA to protect details of some of its programs in Latin America. Mr. Fernandez is accused of trying to cover up his assistance to Oliver North's secret supply effort to the Nicaraguan contras.

Sri Lankan Monks Protest Indians

COLOMBO (Reuters) — Buddhist monks meeting here in a conference vowed Monday to support a campaign to drive out the 45,000 Indian troops in Sri Lanka. About 70 percent of the island's 16 million people are Buddhist.

A spokesman for the Sri Lanka National Bhikkhu Federation said the monks had decided to treat the Indian force as "an army of occupation" if it did not leave by July 29, as asked by President Ranasinghe Premadasa. Prime Minister Rajiv Gandhi of India has said the Indian soldiers will be pulled out only after the Tamil-dominated northeast region is given autonomous powers and the security of Tamils resident there is ensured.

The conference, attended by about 7,000 monks, also criticized the government for allowing Indian troops to enter the country under a 1987 pact intended to end a Tamil separatist rebellion.

Egyptian Leader Named OAU Head

ADDIS ABABA, Ethiopia (Reuters) — President Hosni Mubarak of Egypt took over as head of the Organization of African Unity on Monday and pledged firm action concerning South Africa, the African nations' crippling foreign debts and disputes on the continent.

Speaking after he was unanimously elected chairman of the 49-nation OAU at its annual summit meeting, Mr. Mubarak said he would work for the peaceful resolution of African disputes.

OAU officials said he was referring to the long-running Libya-Chad border conflict, over which the two states went to war two years ago. Mr. Mubarak has already offered to mediate between Sudan's new military rulers and rebels in the south.

For the Record

Syrian troops in Lebanon shelled Christian positions in East Beirut and the coast north of the capital Monday, killing a Greek Orthodox priest and wounding three civilians. A leading newspaper said that after 14 years of civil war between Muslims and Christians, the city's cemeteries had run out of space to bury the dead. *(AP)*

Six armed men took over a Madagascar radio station early Monday to announce the overthrow of the government of President Didier Ratsiraka, but the coup was quickly denied by the information minister, who declared the situation under control. *(AP)*

TRAVEL UPDATE

French Study Paris Rail Extension

PARIS (IHT) — Michel Delebarre, the French minister of public works, is studying plans to ease congestion on one of the world's busiest transportation links, the A line of the high-speed regional express system, which carries 800,000 passengers a day across Paris and its western and eastern suburbs.

One plan calls for the building of a driverless line between the Saint-Lazare and the Gare de Lyon railroad stations, with an extension to Maison-Blanche in the southeastern end of the city. The other plan would link Saint-Lazare, the Gare de Nord and the Gare de l'Est stations.

The French state railroad company, SNCF, is proposing an overhead passenger link, based on ski-lift technology, to relay passengers from the Montparnasse station to the nearest Métro stop at the Place du 18 Juin 1940. Passengers using high-speed trains to and from the Atlantic coast, which are due to go into service later this year, would otherwise have to walk the several hundred meters' distance. The plan would provide a 12-passenger cabin every 18 seconds, or a capacity of 2,400 passengers an hour. *(IHT)*

The British National Union of Railwaymen is pressing ahead with its series of 24-hour strikes on Wednesdays in support of a 16-percent pay claim and national bargaining rights. *(Reuters)*

Tourists arriving in Thailand may soon be required to produce blood-test certificates showing that they do not have AIDS. Newspapers reported that a Public Health Ministry committee was studying a draft law that would empower the authorities to conduct blood tests on all incoming tourists who fail to produce valid certificates. *(AP)*

The Emilia-Romagna region approved $17 million in emergency funds Monday to help clean up its algae-infested coastal waters on the Adriatic. The money will be used to aid the region's tourism and fishing industries, devastated by the algae that first appeared early this month. *(AP)*

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	31	88	19	66	fr
Amsterdam	23	73	12	54	fr
Athens	33	91	23	73	fr
Barcelona	31	88	24	75	fr
Belgrade	31	88	14	57	fr
Berlin	23	73	18	64	r
Brussels	24	75	18	64	fr
Budapest	24	75	14	57	fr
Copenhagen	24	75	16	61	fr
Costa Del Sol	34	93	17	77	fr
Dublin	24	75	15	59	fr
Edinburgh	24	75	14	57	fr
Florence	34	93	21	70	fr
Frankfurt	25	77	17	63	fr
Geneva	30	86	17	63	fr
Helsinki	23	73	13	55	fr
Las Palmas	26	79	21	70	fr
Lisbon	31	88	19	66	fr
London	28	82	16	61	fr
Luxembourg	31	88	16	61	fr
Madrid	34	93	16	61	fr
Milan	31	88	21	70	fr
Moscow	21	70	10	50	c
Munich	28	82	13	55	fr
Nice	28	82	24	75	fr
Oslo	21	70	14	57	fr
Paris	28	82	17	63	fr
Prague	25	77	17	63	r
Reykjavik	14	57	8	46	fr
Rome	29	84	17	63	fr
Stockholm	21	70	14	57	fr
Strasbourg	29	84	19	66	fr
Venice	29	84	19	66	fr
Vienna	28	82	17	63	fr
Warsaw	26	79	13	55	fr
Zurich	30	86	19	66	fr
MIDDLE EAST					
Ankara	26	79	10	50	fr
Cairo	36	97	21	70	fr
Istanbul	29	84	18	64	fr
Jerusalem	31	88	19	66	fr
Tel Aviv	33	91	22	72	fr
OCEANIA					
Auckland	—	—	—	—	no
Sydney	13	55	7	45	sh

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	24	75	fr
Beijing	34	93	23	73	fr
Hong Kong	31	88	27	81	fr
Manila	32	90	27	81	c
New Delhi	38	100	27	81	c
Seoul	31	88	23	73	sh
Shanghai	34	93	27	81	sh
Singapore	31	88	26	79	sh
Taipei	31	88	27	81	sh
Tokyo	31	88	22	72	fr
AFRICA					
Algiers	32	90	23	73	fr
Cape Town	20	68	13	55	fr
Casablanca	28	82	22	72	fr
Harare	28	82	17	63	fr
Lagos	27	81	25	77	r
Nairobi	27	81	15	59	fr
Tunis	38	100	22	72	fr
LATIN AMERICA					
Buenos Aires	12	54	9	48	c
Lima	19	66	15	59	fr
Mexico City	25	77	12	54	fr
Rio de Janeiro	28	79	17	63	r
NORTH AMERICA					
Anchorage	18	64	11	52	fr
Atlanta	32	90	22	72	fr
Boston	26	79	20	68	fr
Chicago	29	84	23	73	fr
Denver	33	91	18	64	fr
Detroit	28	82	18	64	fr
Honolulu	31	88	25	77	fr
Houston	34	93	24	75	fr
Los Angeles	28	82	20	68	fr
Miami	32	90	26	79	fr
Minneapolis	29	84	19	66	fr
Montreal	28	82	19	66	fr
Nassau	34	93	26	79	fr
New York	31	88	23	73	fr
Phoenix	41	106	29	84	fr
San Francisco	22	72	14	57	fr
Seattle	23	73	13	55	fr
Toronto	28	82	19	66	fr
Washington	31	88	22	72	fr

ci-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

TUESDAY'S FORECAST — CHANNEL: Smooth. FRANKFURT: Cloudy. Temp. 27 — 19 (81 — 63). LONDON: Cloudy. Temp. 29 — 16 (84 — 61). MADRID: Cloudy. Temp. 35 — 19 (95 — 66). NEW YORK: Fair. Temp. 32 — 21 (90 — 70). PARIS: Partly cloudy. Temp. 28 — 14 (82 — 57). ROME: Fair. Temp. 33 — 19 (91 — 66). TEL AVIV: Not Available. ZURICH: Cloudy. Temp. 27 — 19 (81 — 66). BANGKOK: Rain. Temp. 32 — 25 (90 — 77). HONG KONG: Cloudy. Temp. 31 — 28 (88 — 82). MANILA: Rain. Temp. 34 — 25 (93 — 75). SEOUL: Rain. Temp. 30 — 24 (86 — 75). SINGAPORE: Fair. Temp. 31 — 26 (88 — 79). TOKYO: Fair. Temp. 31 — 22 (88 — 77).

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Brewer Linked to HUD Case

Coors Endorsed Request to Pierce

By Philip Shenon
New York Times Service

WASHINGTON — The Department of Housing and Urban Development approved more than $16 million in rent subsidies for Denver housing projects two years ago after Joseph Coors, the wealthy Colorado brewer and a friend of President Ronald Reagan, wrote Samuel R. Pierce Jr. to endorse the request, which had appeared headed for rejection, internal government documents show.

A former senior housing official, Thomas T. Demery, said that a housing agency selection committee was told that Mr. Pierce, who was then the department's secretary, wanted the Denver application given "very careful consideration, which it was."

Mr. Demery, who was a member of the three-member committee, declined comment when asked if he had been aware of the Coors endorsement.

The decision appears to conform to a pattern in which, during the Reagan administration, the Department of Housing and Urban Development was more likely to approve projects endorsed by prominent Republicans, Reagan aides and friends of Mr. Pierce.

The documents show that the Denver proposal was originally left off a list of 1987 applications to be recommended for financing, although the documents do not indicate why.

But one week after Mr. Coors wrote to Mr. Pierce, they show, the selection panel met in Washington and approved the request from the Housing Authority of Denver.

To make room for the Denver application, Mr. Demery said, the selection committee scuttled a low-income housing proposal from the state of Michigan. He described both projects as worthy.

In the one-page "Dear Sam" letter dated Aug. 12, 1987, Mr. Coors, a well-known patron of conservative organizations, urged Mr. Pierce to "look into this matter and give it your favorable approval."

The letter from Mr. Coors, who is vice chairman of the Adolph Coors Co., was typed on the brewing concern's stationery and signed "Joe."

There is no suggestion that Mr. Coors had any financial interest in the program, and, in his letter, the brewer indicates that he was motivated only by civic pride.

"I have been familiar with this type of project in the past and believe that this project in Denver is very much worthy of support," he wrote.

The Denver proposal was approved under the agency's Section 8 Moderate Rehabilitation Program, which was temporarily suspended in part because of allegations of widespread political favoritism in the selection process.

Under the program, federal rent subsidies are provided to housing developers who rehabiliate low-income housing.

Mr. Coors is a longtime Reagan friend and financial supporter and among a number of wealthy conservatives who have acknowledged making large contributions to the Nicaraguan rebels after Congress cut off official aid in the mid-1980s.

Reuters

Leona Helmsley at the opening of her trial in New York.

His client, the defense attorney repeatedly suggested, was so vicious that employees would do anything, including commit crimes and falsify records, to avoid dealing with her. And that, he set out to prove, is what they did.

Why Is Helmsley's Lawyer Bad-Mouthing Her?

By William Glaberson
New York Times Service

NEW YORK — It was no surprise in the first three weeks of Leona M. Helmsley's trial that a series of prosecution witnesses described a spiteful woman who favored foul language and who could coldly tell an employee that he was dismissed from his job while she stood being fitted for a dress.

Years of scathing press coverage of the New York luxury hotel operator had set the stage for that.

The extraordinary event in the courtroom, instead, was the enthusiasm with which Mrs. Helmsley's own lawyer joined the assault on his client at the trial, which resumed in its fourth week in U.S. court here.

She has been charged with fraud, extortion and tax evasion. The authorities say that she and her husband, who has been dropped from the case, evaded more that $4 million in income taxes by fraudulently charging such luxuries as a marble dance floor and a $130,000 stereo system to their hotel and real estate empire.

When her lawyer, Gerald A. Feffer, first spoke in the trial on July 5, he told the jurors that his client was an unpopular woman but was not "charged in the indictment with being a tough bitch."

In the days since, the graying, soft-spoken lawyer has made it plain that his unusual opening statement set the course for a strategy that has left his 69-year-old client all but isolated in the eye of a storm of fascination and scorn.

His client, Mr. Feffer repeatedly suggested to the jurors, was so vicious that employees would do anything, including commit crimes and falsify records, to avoid having to deal with her. And that, he set out to prove, is what they did.

Day after day in federal court, this tactic has had Mr. Feffer prodding prosecution witnesses to provide fresh details of his client's imperious unpleasantness.

A false-invoice scheme was designed to "work around Mrs. Helmsley," Mr. Feffer suggested to one witness.

Mr. Feffer has repeatedly sounded that theme, and several witnesses have said they did falsify documents about work done on Mrs. Helmsley's house so that the bills could be paid through Helmsley businesses.

Witnesses have complained that the Helmsleys pressed for completion of construction of their home in Greenwich, Connecticut — Dunnellen Hall — but blocked payments to contractors.

Employees often went to her husband, Harry B. Helmsley, to avoid his explosive and suspicious wife, Mr. Feffer suggested.

Judge John M. Walker Jr. dropped Mr. Helmsley, 80, from the trial because he was found mentally incompetent.

"Didn't she say," Mr. Feffer asked one witness, "that she felt she was being ripped off because she was a Helmsley? Because she lived in Greenwich?"

Before the trial Mr. Feffer sought a change of venue, complaining that sensational press coverage would damage his client's chances for a fair trial.

But his own strategy of recounting his client's every foible seems to have removed whatever inhibitions the press might have felt about sensationalism for the case of the woman who still runs ads that proclaim her "the queen" of the Helmsley hotel empire.

Uncomfortable as it may be, Mr. Feffer's strategy could prove an inspired defense, several legal specialists said.

The government's case, with thousands of documents and as many as a hundred witnesses, would present an extraordinary obstacle for any defendant, said Donald E. Vinson, president of Litigation Sciences, a national concern that provides psychological jury consultations to trial lawyers.

The emphasis on unattractive qualities of the defendant could repel jurors stunned by the prosecutors' presentation, Mr. Vinson said. He advises lawyers to confront the most negative aspect of their client directly, to combat that likelihood. Mr. Vinson called the process "psychological inoculation."

The aspect of Mr. Feffer's approach that is unusual is the strength of the language he has used and the extent to which he has focused his energies on the strategy, Mr. Vinson said.

The strategy gives Mr. Feffer a way to try to diffuse the jurors' potential antagonism to his client.

It also offers a way to explain how millions of dollars of the Helmsleys' private expenses ended up being paid by their companies but not declared on their income-tax statements.

"What he's got to do, is dull the impact of the central feature of Mrs. Helmsley's personality, which is that she has made herself uniformly despised by the public," said Jay Goldberg, a New York defense lawyer.

The effort, Mr. Goldberg said, is to appeal to the jurors' sense that they are so fair-minded that they can dispense justice even to someone who is utterly unlikeable.

Safer Airline Seats Urged for Children

Iowa Crash Underlined the Dangers

By John H. Cushman Jr.
New York Times Service

SIOUX CITY, Iowa — Officials investigating the crash landing here last week of a United Airlines DC-10 carrying a large number of infants and older children said they hoped lessons from the crash would lead to wider use of infant safety seats.

A safety expert of the flight attendants' union, Nancy Gilmer, said the crash illustrated the shortcomings of current rules, which allow a child under 2 years old to travel seated on an adult's lap.

"We're hopeful that the results of this accident will lead to some strong rule-making by the FAA," said Ms. Gilmer, who is the union's safety coordinator.

[There is no uniform international set of rules governing how children travel aboard planes and whether safety seats must be used, a spokesman for the International Air Transport Association in Geneva told the International Herald Tribune on Monday.

[But the spokesman said international airlines and air safety agencies would be closely watching developments in the United States following the Sioux City crash.

[Fatalities from the crash reached 111 Monday with the death of Brent Bealer of Norristown, Pennsylvania, United Press International reported. The 28-year-old man was being treated for burns, fractures and head and internal injuries. The plane carried 296 passengers and crew.]

Special safety seats are mandatory for infants in automobiles in the United States, but the Federal Aviation Administration has resisted efforts to require them on airliners.

A low accident rate for air travel would make such a rule too costly in comparison with the small number of lives saved, the agency said in 1982 in rejecting such a rule.

The National Transportation Safety Board, which found that safety seats would offer children the most protection, took no position the last time the FAA considered the matter.

Jim Burnett, the board member leading the investigation here, said he wanted the board to take a close look at the issue of child safety in aviation accidents.

Investigators say the latest crash may provide new evidence of the dangers confronting infants traveling on airplanes without restraints.

While Mr. Burnett declined to say what recommendations might be made, the board often recommends new regulations or the voluntary adoption of safety measures by transportation companies or consumers. It could recommend mandatory use of safety seats.

Children under 2 not occupying a seat are usually allowed to fly free in the United States. Airlines want to encourage families to fly, but they do not want seats occupied by nonpaying passengers.

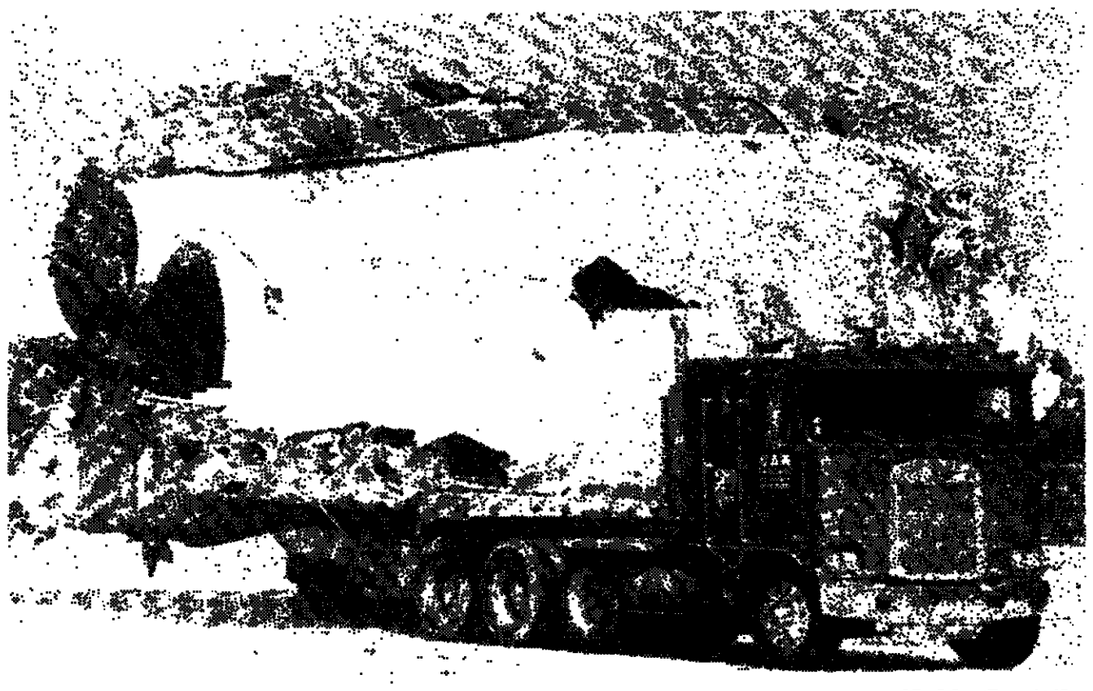
If child safety seats are required, infants who now sit on laps and fly free will need their own seats, which would either make family travel more expensive or require the airlines to give up revenue.

The number of children who died in the crash last Wednesday, a day when children had free seats, is not known. But United Airlines released the surnames of three infants — Fong, Michaelson and Notgrass — who survived. The extent of their injuries, if any, is not known.

The Michaelson family, all five of whom survived, have left Iowa, but not before buying an infant safety seat for the baby, Sabrina, the television Cable News Network reported.

At least one infant, Evan Tsao, died in the crash, United said Sunday. He was traveling with his mother, Sylvia Tsao, who survived.

The safest position in a crash for a child unrestrained by a safety seat or belts is to be wrapped in a blanket, padded with pillows and held against the floor by an adult bent over in the "brace" position, head down, ankles clenched, said Ms. Gilmer, safety coordinator for the Association of Flight Attendants.



Jeffrey Z. Causey/The Associated Press

A truck carried the section of the DC-10 where most survivors were seated to a hangar on Monday for specialists to study.

At least one attendant from the United flight told the investigators that such instructions were given as the plane headed for an emergency landing. A baby held by an adult who had buckled one seat belt around both of them was wrapped and placed on the floor after the instructions were announced, a spokeswoman for the union said.

With or without a seat belt, a baby held in an adult's lap is at risk in a crash. "Their body weight upon impact would crush the child," Ms. Gilmer said.

Even babies held to the floor are likely to be separated from their parents, as both the Michaelson and Tsao babies were, according to passenger accounts.

With "almost anything more than a bump it is virtually impossible to hang on to a child," said Richard Chandler, who for 18 years headed studies of crash survivability for the FAA.

Infant seats can also provide protection during minor accidents or heavy turbulence.

"Everyone should be restrained on the aircraft and therefore protected," said the flight attendants' union safety expert.

Investigators have so far found no evidence that any infant on Flight 232 had a safety seat, a spokesman for the safety board said Sunday.

Several safety experts said one benefit of the crash would be the realization by more parents that safety seats offer advantages.

"The public really needs to be informed," Ms. Gilmer said.

For years, there has been uncertainty among travelers and inconsistency among airlines and federal agencies faced with the question of whether parents should use automobile safety seats when they take young children on airplanes.

Until 1982, under U.S. rules, airlines would not allow these seats to be used in flight, since they were designed for cars.

Federal aviation regulations called for older children to use seat belts and younger ones to be held in an adult's arms during routine takeoffs and landings.

Since the federal rules were changed, infant car seats, which are designed for infants and toddlers up to 40 inches (one meter) long and weighing up to 40 pounds (18 kilograms), have been permitted on airplanes if they conform with federal design requirements.

But the seats are not required, and consumers sometimes find airlines unwilling to allow use of the safety seats, especially during takeoff and landing.

The year it first allowed the seats to be used, the FAA denied a request by a consumer group that sought a rule requiring airlines to provide safety seats.

Aquino Says Poor Have Missed Out

By Keith B. Richburg
Washington Post Service

MANILA — President Corazon C. Aquino, addressing a joint session of the Philippine congress midway through her six-year term, conceded Monday that economic recovery has so far benefited mainly the well-to-do elite.

In her annual state-of-the-nation message, the president took credit for reducing the number living below the poverty line to 49 percent, down from the 60 percent when she took power in February 1986.

But she added: "The lowest 30 percent of our population remains mired in unchanging misery. They think nothing has changed and I don't blame them. Liberty is a poor substitute for food.

"The economic recovery has restored old fortunes far more significantly than it has touched the lives of the vast majority of our people."

Mrs. Aquino's statements appeared to mark an unusual admission for a president who generally prefers to dwell on her accomplishments, like the restoration of democratic liberties and the country's 6.5 percent growth rate last year.

She made clear she would continue to rely on free market forces to restore the battered economy, rejecting calls for subsidies and price controls.

Mrs. Aquino also conceded that under her tenure "corruption is again a way of public life."

Last Sunday a pastoral letter read from Roman Catholic Church pulpits called corruption "a life-destroying plague" and said, "We are dismayed that it has become so widespread and has largely gone unpunished."

Mrs. Aquino acknowledged the church's criticisms, and warned those in government agencies responsible for weeding out corrupt officials that if they did not show results soon "it will be good-bye for you." She did not elaborate or set a timetable.

Opposition politicians and some other lawmakers reacted cooly to the president's speech, criticizing it for failing to articulate a clear legislative agenda.

Zairian Students Protest in Beijing

The Associated Press

BEIJING — About 40 Zairian students padlocked the gates of their embassy Monday and blocked staff from entering to protest their government's failure to provide living subsidies and plane tickets home.

Theo Bitufuila, 26, who recently graduated from the Chinese Traditional Medicine College in Shanghai, said that Kinshasa had agreed to give students in China about $90 for monthly living expenses but had not paid in 23 months. He and other graduates said they had also failed to receive plane tickets home.

The students, who have staged a sit-in on embassy grounds for a week, said that officials had offered no solution. Ambassador Lombo Lomangamanga, who met with students Saturday, refused to comment. Zaire has 89 students in China, most pursuing undergraduate degrees in the sciences. They are one of the largest groups of the 1,500 Africans studying under Chinese scholarships this year.

71 MPs Resign in India, Alleging Official Fraud

By Steve Coll
Washington Post Service

NEW DELHI — Seventy-one opposition members of Parliament, protesting what they say is government corruption, resigned their seats Monday and called on Prime Minister Rajiv Gandhi to hold elections immediately.

Leaders of the governing Congress Party (I) denounced the maneuver as a political tactic and said that Parliament would not be dissolved.

The mass resignations marked a rare show of unity among India's often-fractious political opposition, which has been making steady gains against Mr. Gandhi's party during the last year. Among those offering resignations Monday were hard-line Communists and conservative Hindu activists.

Opposition leaders attributed their action to a government report issued last week on arms procurement alleging kickbacks in the purchase of $1.3 billion in guns for the Indian Army from a Swedish manufacturer, Bofors AB.

The report, by the comptroller and auditor general, confirmed some serious charges made two years ago against senior party officials alleged to have been involved with the kickbacks. Opposition leaders said Mr. Gandhi should resign because of the report's conclusions.

"What is at stake is the security of the country and its integrity," said V.P. Singh, a former finance minister in Mr. Gandhi's cabinet around whom the opposition forces have coalesced. "This issue is beyond electoral issues. It is a national issue."

Congress leaders said that Mr. Singh and his allies were trying to push Mr. Gandhi into an early vote so they could avoid a showdown in Parliament over popular legislation introduced by the governing party. They said Mr. Gandhi would likely ignore the resignations and carry on with the session as scheduled.

Although 71 members from 12 parties submitted resignation letters on the floor of parliament Monday, oppositions leaders said they expected 106 to join the protest eventually.

Mr. Gandhi's party enjoys a large majority in Parliament, controlling 397 of 543 seats in the lower house. The size of the Congress majority reflects in part an emotional outpouring by voters during India's last election, held late in 1984 soon after the assassination of Prime Minister Indira Gandhi, Rajiv Gandhi's mother.

Manitoba Decrees Fire Emergency

The Associated Press

WINNIPEG, Manitoba — The provincial government of Manitoba has declared a state of emergency to fight raging forest fires and help house thousands that the blazes have left homeless.

About 18,000 people have been airlifted from remote Indian reserves and farms in the province, where the fires have swept through nearly 2 million acres (about 800,000 hectares) of dense evergreen forest.

"Virtually all of northern Manitoba is on fire and we're just hoping some of our major centers are not going to be affected," Emergency Measures Minister Albert Driedger said as the state of emergency was declared. "Once you get 15 minutes out of Winnipeg, all you see is smoke." Hot, dry and windy weather have fanned more than 400 fires across northern Saskatchewan, Manitoba and Ontario.

Sakharov Is Snubbed By Chinese

The Associated Press

CAMBRIDGE, Massachusetts — Chinese delegates walked out of an international conference here Monday when Andrei D. Sakharov, the Soviet nuclear physicist and human rights activist, called for condemnation of China's violent suppression of its student democracy movement.

"We cannot forgive or disregard the conduct of the Chinese government and we must find ways to demonstrate this attitude," Mr. Sakharov said at the opening session of the 39th Pugwash Conference on Science and World Affairs.

The Chinese delegates waited outside the conference room for Mr. Sakharov's speech to end.

One of the delegates, Professor Shi Zhongben of Beijing University, said "We can build peace through international cooperation, not by interfering in the internal affairs of other countries."

About 200 scientists and statesmen from more than 30 countries are attending the five-day Pugwash conference, the first in the United States in nearly two decades. The annual conferences grew out of a statement by Bertrand Russell and Albert Einstein in 1955 calling on scientists of all political persuasions to devise ways to avoid nuclear war.

Donald Barthelme, Writer of Fiction, Dies at 58

By Herbert Mitgang
New York Times Service

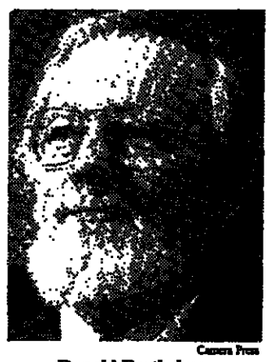
NEW YORK — Donald Barthelme, 58, a short story writer and novelist whose minimalist style placed him among the leading innovative writers of modern fiction, died of cancer Sunday in Houston at the University of Texas M.D. Anderson Cancer Center.

Mr. Barthelme had undergone successful surgery for throat cancer 17 months ago. But he became ill with a form of blood cancer while living in Rome this summer and was admitted to the cancer center three weeks ago, the Houston Chronicle reported.

Mr. Barthelme had recently completed a novel, "The King," which will be published by Harper & Row in the spring. His short stories frequently appeared in The New Yorker before being collected into books.

The winner of a National Book Award in 1972 for a children's book entitled "The Slightly Irregular Fire Engine" and of the PEN-Faulkner Award for fiction in 1982 for his "Sixty Stories," Mr. Barthelme once likened his style to that of collage, which he called "the central principle of all art in the 20th century."

In public appearances and in print, he often defended what he termed "the alleged post-modernists" in literature. He placed himself in this category and included, among Americans, John Barth, John Hawkes, William Gass, Robert Coover, and Thomas Pynchon. Among Europeans, he named Peter Handke, Thomas Bernhard and Italo Calvino.



Camera Press

Donald Barthelme

Rebutting criticism of himself and of other writers as being too difficult, Mr. Barthelme said: "Art is not difficult because it wishes to be difficult, rather because it wishes to be art. However much the writer might long to be straightforward, these virtues are no longer available to him. He discovers that in being simple, honest, straightforward, nothing much happens."

Donald Barthelme was born in Philadelphia on April 7, 1931. He had a Roman Catholic upbringing in Houston, where he worked as a reporter for The Houston Post and, from 1961 to 1962, as director of the Contemporary Arts Museum. He moved to New York in 1963 and lived in Greenwich Village with his fourth wife, the former Marion Knox, whom he married in 1978.

His books of stories included: "Come Back, Dr. Caligari" (1964); "Unspeakable Practices, Unnatural Acts" (1968); "City Life" (1970); "Sadness" (1972); "Amateurs" (1976); "Great Days" (1979), which was fashioned into an off-Broadway play; "Sixty Stories" (1981); and "Overnight to Many Distant Cities" (1983).

His novels included: "Snow White" (1967); "The Dead Father" (1975), and "Paradise" (1986). In addition to the children's book, he was author of a book of parodies, "Guilty Pleasures" (1974).

■ *Other deaths*

Frank Thompson, 70, a former New Jersey representative who was one of the most influential Democrats in Congress before the Abscam bribery scandal ended his 26-year career in the House, Saturday of a heart attack following cancer surgery at Johns Hopkins Hospital in Baltimore.

Janet Lee Auchincloss, 81, the mother of Jacqueline Kennedy Onassis, Saturday after a lengthy illness at her home in Newport, Rhode Island.

William T. Whisner Jr., 65, who shot down 24 enemy airplanes during World War II and the Korean War, held three Distinguished Service Crosses and was one of the air force's first two-war aces, Friday from complications of an insect sting in Pineville, Louisiana.

Caught in Surf, 3 Die in Florida

United Press International

MIAMI — Three swimmers drowned in Florida and one was critically hurt while trying to rescue his son from the surf after heavy winds created treacherous rip currents along the Atlantic on Sunday.

Two of the swimmers were tourists who drowned off Surfside, north of Miami Beach. The police identified them as Shabtai Adika, 58 years old, a tour guide from New York City, and Benoit Gagnon, 62, of Montreal.

The third victim, Bjarne Bogno, 73, of Oslo, Norway, was pulled from the surf at nearby Sunny Isles and died in a hospital.

The fourth man, whose identity was not known, went into the surf to save his son, who appeared to be drowning, authorities said. The child made it to shore and the father was pulled out by onlookers.

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Herald Tribune INTERNATIONAL
Published With The New York Times and The Washington Post

A Start on Poison Gas

Chemicals make unusually abhorrent weapons, particularly to unprotected civilians caught in their path. A technical agreement on verification reached recently between the United States and the Soviet Union is a small but encouraging advance toward a multilateral treaty banning the production and possession of chemical weapons.

The 1925 Geneva Protocol forbids only the first use of chemical weapons. As became evident in the war between Iran and Iraq, both of which are signatories, that is not sufficient. Another obstacle to banning production has been Washington's fear that it could not verify such a promise by the Soviet Union. American and Soviet experts working in Geneva have now agreed on a procedure for challenge inspections of suspect facilities. If this technical proposal is accepted in Washington and Moscow, a principal hurdle will have been crossed.

Others remain. One is the need of chemical industries in the United States and elsewhere to safeguard proprietary information. American chemical companies are used to government regulatory inspections, but an international inspection agency may be more likely to compromise trade secrets. Another concern is that intrusive inspections may clash with the Fourth Amendment's prohibition against unreasonable search and seizure. But the courts tend to give foreign policy searches a high presumption of legitimacy, and the chemical industry views such searches as similar to the health and safety inspections to which they are already subject.

Even the most intrusive inspection system will fall short of absolute proof against Soviet cheating. The risk is worth running. Moscow may have 10 times more chemical weapons to destroy than Washington. The United States probably will not be able to keep its weapons in Europe anyway; it rashly promised Chancellor Helmut Kohl that its chemical weapons in West Germany would soon be withdrawn and not replaced. It would in any case maintain chemical defenses, like masks and suits, limiting the military value of any Soviet cheating.

An agreement thus serves America's national security interest. It is also urgently needed to forestall the spread of chemical weapons to unpredictable regimes like those of Libya, Syria, Iran and Iraq. A missile with a chemical warhead fired into a city would cause untold casualties.

George Bush said in his presidential campaign that he would like to be remembered for attaining "a complete and total ban on chemical weapons." His negotiators have made a serious start.

— THE NEW YORK TIMES.

Noriega as Goliath

No dictator easily surrenders power, and it is important not to expect any miraculous conversion from Manuel Antonio Noriega. But it is also important not to dismiss the pressures bearing on him to consider the just-reiterated appeal of his fellow Latins to allow a transitional government to take over by Sept. 1, when a "constitutional vacuum" created by his forcible annulment of last May's elections takes hold, and to permit new presidential elections soon after that.

To reap the cheap political thrills of baiting the colossus of the North, General Noriega has exposed his country to economic misery, consolidated an incontrovertible majority of his citizens in opposition to the disgraces of his rule and brought obloquy and isolation upon a country that was a member in good standing of the Latin and international communities.

No doubt, the mission launched by the Organization of American States in May to negotiate Panama's return to democracy offered a prospect of relief to the United States, which had repeatedly been defied and embarrassed by the shrewd General Noriega. But the mission also offered him a face-saving way to alter course. With the OAS in the picture, he is no longer a David standing up to the United States, but himself a Goliath kicking the Panamanian opposition around. His willingness to accept OAS mediation and to put the terms of his own departure on the table could turn out to be a fraud but offers a possibility that the OAS team, returning now to Panama, can explore.

There has been an unseemly flap over the replacement of General Fred Woerner as chief of the Pentagon's Panama-based Southern Command. Some conservatives in the U.S. Congress complain that he was not tough enough in dealing with General Noriega's provocations against U.S. troops in Panama. In fact, those provocations have ended. Furthermore, political indecisiveness in Washington put an unusual and unfair burden on the U.S. military, which was caught between its traditional mission of ensuring the smooth operation of the canal (which requires accommodating the powers that be in Panama) and the suggestive but never explicitly ordered mission of somehow getting rid of General Noriega. There is a better way to accomplish this latter goal, and the OAS is working on it.

— THE WASHINGTON POST.

Sludge From the City

Last year, concerned about pollution of the seas, the U.S. Congress banned ocean dumping of the sludge that results from municipal sewage treatment. This was a big change in policy: Washington once contributed generously to the construction of such plants, knowing full well that sludge would end up in the ocean. Now New York and other American cities must lay out hundreds of millions to comply with the ban, yet Congress refuses to help.

Sludge dumping is relatively cheap. It cost New York $27 million to acquire a fleet of ocean-going sludge barges; towing and other costs come to $18 million a year. Complying with the ban on ocean dumping means removing water from the sludge to reduce its volume and make possible its disposal on land. The city has committed itself to a timetable that requires it to come up with $300 million in machinery and equipment by 1992 and $700 million by 1998.

Once in place, the permanent sludge processing system would incur operating costs of at least $60 million a year. All that adds up to an extra burden of about $110 million in annual operations and debt service. Optimists hope that worthwhile uses will be found for dry sludge, perhaps as a soil conditioner or fertilizer supplement. Otherwise the sludge may have to be disposed of in landfill sites designed to prevent leaching of heavy metals and other chemical pollutants. That would mean yet more expense.

It is not clear to what extent dumping sludge 100 miles (160 kilometers) offshore affects the ocean biomass, or whether it caused last summer's waves of beach pollution. Yet Congress wrote remedial legislation in almost punitive form, threatening to fine local governments that do not stop ocean dumping promptly. Congress subsequently agreed to apply the fines toward buying the new equipment, but that is small comfort.

Ocean dumpers are not villains but officials who believed that they were properly investing millions in local public funds to build sewage treatment plants with federal subsidies. If Congress now believes that this approach was wrong, it ought to forget fines and offer help.

— THE NEW YORK TIMES.

Other Comment

Fears of a 'Fortress Europe'

Despite assurances by officials of the European Community that protectionism will not increase following the formation of "One Europe" come 1992, officials of the Association of South East Asian Nations and other trading countries are awaiting firmer signals that access to EC markets will be maintained. For instance, if a country wants to gain access to any market within the EC, it may have to open up its market to all EC countries under arrangements loosely referred to as "reciprocity." Arbitrary enforcement of such arrangements can lead to escalating trade disputes. With the might of the EC, which accounts for 20 percent of world trade against the U.S. 15 percent and Japan's 9 percent, on one side, and much weaker, smaller countries on the other, it will not take a seer to see who will have greater bargaining power.

Curiously, the EC itself appears to be somewhat apprehensive over moves to form an Asia-Pacific grouping which can include the United States, Canada, Japan, Australia, New Zealand, the newly industrialized countries of East Asia and ASEAN. Perhaps it feels threatened by the possible formation of a group accounting for more than the EC's share of world trade that can be strong enough to dictate the direction and trends for future trade patterns.

The EC needs to allay the uneasiness of ASEAN members and other Third World countries over the formation of a single European market, not through mere words but through action and example. If it progressively removes protective barriers for inefficient domestic producers and shows more determination to promote free trade on the basis of comparative advantage as 1992 approaches, it will not have to do much talking to persuade others that a single European market will not be a "Fortress Europe" to the detriment of nations outside the EC.

— Business Times (Kuala Lumpur).

Boxing Is Battery, Not Sport

After Friday night's heavyweight boxing title fight, two sports writers chose the same term, "lethal left hook," to describe the decisive punch that Mike Tyson landed on the chin of Carl Williams. "Lethal" means deadly. The term is accurate, and if the fight had not been halted, it is entirely possible that Carl Williams could have left the stadium in a hearse. It demeans the term "sport" to include such brutality. Are people injured in other sports? Of course. But in other sports, injury is incidental to the competition, and every effort is made to minimize injury. In boxing alone, injury is the very purpose of the competition. It is time we stop calling "sport" an activity that would be, in any place other than the ring, a criminal offense.

— The Baltimore Evening Sun.

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OPINION

Israel: Talking to the PLO Doesn't Mean Approval

By Abba Eban

The writer was Israel's foreign minister from 1966 to 1974.

NEW YORK — The only thread that now separates the Israeli-Palestinian area from early explosion is the fact that the United States is in simultaneous discourse with all the parties. Ending the American-Palestinian dialogue now would lead to despair of peace, escalation of violence and growth of extremism on both sides of the conflict.

It would be injurious to Israeli interests for the United States to withdraw its restraining presence from this arena.

It is gratifying to know that this is a general view in official Washington and that it is shared by many Israelis and by some important Jewish organizations. Talking to a Palestinian political organization does not imply an acknowledgment of virtue or a certificate of approval. The modern functional view is that diplomatic contacts, in Winston Churchill's phrase, "are not a grace to be conferred but a convenience to be used."

It is unrealistic to assume that Israel can appoint its own negotiating team and also appoint the team of its adversaries. This notion has no precedent in international history. It assumes that there are Palestinians with attributes of leadership who could be induced to emerge from anonymity, defy the Arab consensus and form a separate delegation totally independent of the PLO. The search for such partners has not had a single success.

A more hopeful approach would be for Israel to accept the help of third parties such as Egypt or the United States, which might recommend a list of Palestinians who would be authentic interlocutors for a discussion of the proposed elections in the West Bank and Gaza.

With no operative peace proposal on the table and in the absence of contact between Israel and the PLO, American good offices are a valuable benefit, not a burden.

When the United States encourages the PLO to let its supporters run for election, the Bush administration merits appreciation. Can anyone seriously believe that a Palestinian organization that can get 159 governments to affirm its representative status can be totally and permanently excluded from influencing the negotiating process?

The U.S. decision at the end of 1988 to enter the awkward Palestinian arena and to send messages of cool reason into that feverish domain has already had some positive results. It has given the United States an appropriately dominant role in the Israeli-Palestinian context. It has stimulated a positive change in the rhetoric and ideology of the Palestinian movement. It has made Palestinian nationalism anxiously sensitive to American reactions. It has correspondingly weakened the Soviet monopoly in an important sector of Arab nationalist thinking.

And it has had important results on the ground. This became evident in the statement of Defense Minister Yitzhak Rabin in the Knesset in March, to the effect that the armed groups in Lebanon, who are under the authority of the mainstream PLO leadership, had abstained since last November from infiltrations or armed attack into Israel, and that, accordingly, "the Israel Defense Forces do not seek to engage them."

It is essential to press Palestinians for a more constant illustration of realism. But to assert that nothing important has already happened would be unconvincing. The immediate urgency is to restore the understandings and the reticences that made it possible to embark on a modest but useful Israeli initiative. If this is achieved, the next task will be to understand the need for innovation.

There are no dangers in an Israeli-Palestinian agreement that can compare to the volcanic certainties of a status quo that obscures our peace vision, weakens our economy, injures our tourism, distorts our image, erodes our international friendships, divides our nation, torments the Jewish dispersion and undermines our most cherished Jewish and democratic values. To negotiate with Arab interlocutors from a position of Israeli strength does not imply any acceptance of their views on final status or boundaries.

It is natural for Israelis in the light of historic experience to be more aware of dangers than of opportunities. But this tendency must be transcended if we are ever to move out of deadlock. This is one of the rare cases in which leaving things as they are could be the most reckless of all adventures. By maintaining a policy of active presence, America can add to its many acts of service to Israel's destiny and to its own vocation of peace.

The Washington Post.

To Pay Their Way, Israelis Will Have to Abandon Socialism

By Steve H. Hanke and Alvin Rabushka

JERUSALEM — Israel's economy, its Achilles' heel, is in crisis. Sunday's two-hour protest strike by two-thirds of the country's work force was significant. Real wages are not keeping up with inflation, and the labor force is getting restless.

The standard of living has been sinking for years. Israel has a structural problem — a failing similar to the one that has provoked Soviet coal miners to strike.

Last month the shekel was devalued for the third time this year, and Finance Minister Shimon Peres has indicated that periodic devaluations may be required in the future.

Inflation is running at an annual rate of about 17 percent. Exports keep falling despite the devaluations. Real wages declined by 7.4 percent in the first quarter. The rate of business investment is at an all-time low. And unemployment is just under 10 percent, the highest level in 20 years.

Israel's utopian communes are so mired in debt that they have seen a wave of economic-related suicides.

What is wrong?

Before resettlement began in the 1870s, a small Jewish community lived in the Holy Land, concentrated in Jerusalem. It subsisted on a handout regime called *haluka*. The Zionists who began the resettlement process looked down on handouts and promised to build a productive society. Yet today Israel remains dependent on the generosity of others for about 15 percent of its GNP.

Productivity is not the only promise that has gone unfulfilled. The state of Israel was intended to be a haven. For a time it served that purpose as Jews flocked in, but those heady days are over. Jews now show little interest in immigrating to Israel.

Soviet Jews, in particular, have proved an embarrassing foul-weather gange. In a recent speech in Jerusalem, Irene Shapira, a Moscow-based Jewish lawyer, claimed that Jews would rather stay in Moscow or Leningrad than come to Israel. In fact, of 3,333 Soviet Jews who registered at the Vienna transit in May, only 96 chose Israel as their new home.

In addition, Israelis have taken to emigrating in increasing numbers. Since 1985, more people have left than have arrived.

The seeds of today's problems were planted more than a century ago. Early Zionists from backward regions of Eastern Europe viewed capitalism as an enemy and socialism as the way to fulfill their dreams, and Zionist-socialist bonds remain strong today. As we show in "Toward Growth: A Blueprint for Economic Rebirth in Israel," Israel suffers from confiscatory taxes, over-regulation, record budget deficits, a staggering debt, high inflation, repressed markets, excessive union power, capital flight, low productivity and other ills common in the Third World.

The economy is in critical condition, with dangerous consequences for national security and the ability to provide an attractive refuge for persecuted Jews. This need not be.

Israel has an adequate pool of talent and technological know-how. What it lacks is a commitment to economic liberty. It needs to dismantle socialism and embrace capitalism.

What are the prospects? To judge by the recent rhetoric of Finance Minister Peres, a lifelong socialist, they may be good. In a Knesset speech on June 26 he defended a more free-market approach to economic policy. He indicated that in his view the world economy was becoming more liberal and Israel would pay a heavy price if it failed to scrap its socialist system and begin to live by international economic norms.

We shall have to wait and see whether Mr. Peres means what he says. But the economic language coming from Jerusalem is an encouraging change.

Mr. Hanke is a professor of applied economics at Johns Hopkins University. Mr. Rabushka is a senior fellow at the Hoover Institution at Stanford University. They direct the Division of Economic Policy Research at the Institute for Advanced Strategic and Political Studies in Jerusalem. They contributed this comment to the International Herald Tribune.

Drug Traffic: A Cryptic Message From Castro's Firing Squad

By Jim Hoagland

PARIS — Fidel Castro beat U.S. drug czar William Bennett to the punch. He didn't stage a beheading, the fate that Mr. Bennett suggests should befall drug pushers. But the firing squad which executed Major General Arnaldo Ochoa does focus minds on the perils of drug trafficking in a forceful way.

Mr. Castro's decision to stage a show trial of a national military hero and sacrifice him to the anti-drug crusade is for most Americans a tale of thieves falling out. But the Ochoa case is more instructive than that. It should also trigger a serious examination of America's own recent experiences in which government agencies let drug trafficking flourish on the edges of sensitive military and intelligence operations.

In Indochina and Central America, U.S. foreign policy objectives were at times deemed more important than stopping drug trafficking, which was treated as a minor and necessary evil to be tolerated when it advanced covert operations.

Now the evils of the drug trade are moving to the center of foreign policy concerns. As the immediate threats of the Cold War seem to recede, pressing social questions move onto the international policy agenda, beginning with drugs.

The Ochoa case, for all its many facets, shows this. So does the decision of the Paris economic summit to commit the Group of Seven to take "decisive action" on drugs, including increased support for the United Nations Fund for Drug Abuse Control and setting up a task force to investigate international money laundering.

The concentration on the issue was so intense, Margaret Thatcher told the House of Commons, that the leaders spent much of their time at the summit "on drugs." This, observed one unkind and facetious parliamentary correspondent, may help explain the summiteers' quick shifts in mood and Mrs. Thatcher's rather unpredictable behavior in Paris, where she quarreled with the French over their revolution at every opportunity.

The leaders were clearly looking for new policy gadgets in the "Beyond the Cold War" atmosphere of this summit. Drugs fit their immediate need. But the leaders have now made themselves more accountable in the war on drugs. Looking the other way while Panama's dictator or Honduran generals piggyback drug peddling onto an anti-Communist crusade should be truly unthinkable now.

Summit delegates were mystified by the Ochoa case. They agreed, however, that it represented a major political decision by Mr. Castro. "What do we do if we now have a Cuba that stops exporting drugs but continues to export revolution?" a U.S. official mused aloud. "Clearly Castro wants to improve relations with the United States and this is part of his bid," a French official said. "But how far can he go, and how far does he have to go?"

The Cuban leader enjoys speaking in parables that have several points. Ask him a question and his reply loops through four or five other unrelated subjects. Deep into the monologue, he shifts mental gears and begins to circle back toward the point of the question. But he halts before he reaches it, leaving his listener to figure out what exactly it was that he was getting at.

That was my experience with him a few years ago in one of those extended pre-dawn windstorms that pass for an interview with Fidel Castro. It would be in character for him to use the Ochoa execution to send out several messages.

The desire to improve relations with Washington can only be a partial answer. The Cuban leader knows that the odds are against the Bush administration taking General Ochoa's head as a peace offering when the State Department's intelligence and research bureau and other agencies believe that Mr. Castro has probably been aware of or even involved in the drug trade all along.

What could make him move so dramatically and publicly? Only one thing comes to mind: a threat from Mikhail Gorbachev to reduce or end economic subsidies if Cuba's highly visible involvement in the drug trade continued. Did Mr. Gorbachev make such a threat, however veiled, during his trip to Cuba in April? There is, as of now, no way of knowing.

It is known that the Soviet leader urged Mr. Castro on that trip to improve relations with the United States. Secondly, Washington has been publicly pressing Mr. Gorbachev to show that Moscow will cooperate in the war on drugs. Finally, senior Bush administration officials have grown much more sympathetic to Mr. Gorbachev in the past three to four months.

Cuba's drug trade involved corruption at a higher level, extending up to the top, than anything Washington has experienced. But when he was brought to account, General Ochoa made a familiar plea. He was getting money for the revolution and furthering Cuba's foreign policy by smuggling drugs into the United States.

The Ochoas and Noriegas of the world have depended on systems that knew how to look the other way in the interest of "more important" causes. One of the first steps toward a true War on drugs is making sure that it never happens again.

The Washington Post.

It's Like a Plot to Destroy the Black Race

WHEN I look at what's happening to my Baltimore neighborhood, which is located near the Maryland Penitentiary, it often seems as if there must be a conspiracy to destroy the black race. Our way of life is slowly being destroyed by the drug traffic, which is killing young black men and sending others to prison, and tearing apart the black family.

There are four key players involved in the process of distributing these poisons in inner-city neighborhoods: the "runners," the "pushers," the "dealers" and the "suppliers."

The runners are predominantly black; they are the delivery boys who put the drugs into your hand and collect the cash.

The pushers also are mostly black; these neighborhood kingpins supply the crack and the coke and the heroin to the runners, and then funnel the cash back to the people in the chain above them.

But the dealers, who are the ones who receive the poison when it first reaches the city and then pass it on to the pushers, are not black. Nor are the suppliers — the big shots in countries where the traffic starts.

I don't know of a single black man in Baltimore who has ever been able to put together a cocaine processing plant. And I don't know any black men who have bought their own planes or boats to bring drugs into the United States.

The blacks in my neighborhood are restricted to this daily "street work." The attitude of the runners and pushers reflects their own history. They grew up with their parents teaching them to fear the oppressor. They also heard the message daily: If you can't beat them, join them.

And that is what they have done in becoming part of the conspiracy to destroy their own race.

Legalizing drugs would mean providing clean hypodermic needles for everybody, but how would blacks get AIDS, if they weren't forced to share the same needles? Legalizing drugs would mean less violence since it would no longer be a crime to have them in your possession. But how would government agents be able to gun down young black men and call it "drug-related"?

Legalizing drugs would also help black families, who frequently suffer the loss of loved ones who end up dead or in prison. But how would we divide the black family — if their men stayed alive and out of prison, while supporting their women and children legally?

The blacks are simply being used to feed this destructive economy. I am not saying that many of the young blacks aren't also responsible. Many of them are materialistic; they think it's cool to sell drugs, or they want to impress females. The black drug runners and pushers operate for a variety of reasons. Little do they realize that their "pushing" is slowly destroying their own world.

— Paul Lee in The Baltimore Sun.

Environment: An Agenda for the Next G-7 Summit

By Richard E. Benedick

WASHINGTON — At the economic summit of the seven major industrial democracies in Paris this month, the environment finally came into prominence. One can no longer speak of economic growth without considering costs to the environment. But environmentally responsible policies carry a price tag, and this was not addressed at the Paris meeting.

The United States will host next year's summit and will heavily influence its agenda in the preparations, which begin soon. President George Bush thus has a unique opportunity to translate the rhetoric of Paris into concrete actions.

Mr. Bush can tap a deep well of public support for an environmental presidency. A recent New York Times-CBS poll showed the proportion of Americans endorsing environmental protection *regardless of cost* as having risen from 45 percent in 1981 to 80 percent today.

Areas where the 1990 summit could have a decisive impact include:

Assisting developing countries:

Third World states have served notice that they are simply not prepared to slow down already limping economic growth in order to help compensate for decades of environmental depredations caused largely by the industrialized world. They have a point.

Both fairness and pragmatism argue that the industrialized countries must carry the lion's share in repairing the global environment. The West has grown wealthy while inadvertently polluting the global commons. Now that it understands what has been happening, it has the major responsibility to redress the situation. The Western economies are more resilient and better able to bear the necessary costs than are the debt-burdened low-income countries.

China and India alone account for nearly two billion people, approaching 40 percent of the world's population. These countries have made clear that they are not prepared to forgo use of cheap (but ozone-destroying) chlorofluorocarbons to meet their growing demands for refrigeration, if the only alternative is to buy expensive substitutes from the West.

Energy-hungry China sits on roughly a third of the world's proven coal reserves, with enormous potential to exacerbate greenhouse warming. Brazil has 30 percent of the world's tropical rain forest. Six Third World countries, including Brazil, Mexico and Indonesia, contain roughly half of the world's biological species — and also owe approximately one-quarter of developing nations' debt.

The Third World's cooperation is needed to save the global environment. But when it is difficult even for Western politicians to urge the necessary lifestyle changes, how can Third World leaders be expected to deny their people's aspirations?

We must finally accept that protecting the global environment is inextricably linked with the elimination of poverty. As President Bush stated last August: "Successful economic development and environmental protection go hand in hand. You cannot have one without the other."

Next year's summit could launch specific initiatives to encourage the Third World to join in preserving the planet. This would involve creative approaches to such issues as debt relief (including debt-for-nature swaps as pioneered by the World Wildlife Fund), subsidized transfer of new energy and other technologies, and expanded technical, scientific and financial aid.

Improving international structures:

Wiser development and conservation of natural resources will require new approaches to energy use, sustainable agricultural practices, industrialization, urban planning, reforestation, watershed management, education — and family planning. Because of the scale of needed efforts in the Third World, the World Bank's role is critical. As major stockholders, the G-7 countries have a decisive influence on the bank's future lending policies.

The summit should also strengthen the capability of the United Nations Environment Program to address these new challenges. A woefully underfunded and thinly staffed agency, UNEP has had notable achievements in bringing countries to the bargaining table to discuss difficult environmental issues. The historic Montreal ozone protocol has been one result. Action-oriented UNEP merits increased support, and the resource implications are trivial: Its current annual budget is under $40 million.

And the summit should endorse specific reforms in national accounting practices, which currently discourage environmental protection by failing to reflect the real costs to society of pollution and of careless exploitation of such natural resources as timber. New economic guidelines are needed to aid national as well as corporate leaders in planning decisions which affect the security of future generations.

Action on climate change:

The portentous implications of rapid greenhouse warming, caused mainly by fossil fuel combustion and deforestation, can no longer be ignored. As Secretary of State James Baker stated last January, "We can probably not afford to wait until all of the uncertainties have been resolved before we do act."

Negotiations will take time. Therefore the summit countries, which are currently the major producers of greenhouse gases, should agree on concerted preventive actions. Specified reductions in carbon dioxide emissions (especially from coal and oil), commitments to greater energy conservation and efficiency, aggressive promotion of non-fossil energy sources, a phaseout of CFCs and reforestation could all buy time for the world by slowing down the prospective climate change. Such measures would enhance Western credibility in approaching other countries to assume their share of the responsibility.

The writer, chief U.S. negotiator of the 1987 Montreal protocol on protection of the ozone layer, is on detail from the State Department as senior fellow of The Conservation Foundation / World Wildlife Fund. The views expressed here are his own and not official U.S. policy. He contributed this comment to the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1889: Nihilists in Vienna

VIENNA — A secret society of Russian students in relation with a society at Zurich has been discovered in Vienna. Papers which were siezed prove that the Nihilists are still at work. It is believed that the committee at Zurich is organizing attempts on the lives of the Czar and of the German Emperor.

1914: War Is Expected

ROME — Austria-Hungary's July 23rd Ultimatum to Servia has fallen like a bombshell upon Europe. Despatches indicate that the Ultimatum, in its present preposterously brutal form, cannot possibly be accepted by Servia. The opinion is expressed in Italy that the Note's terms render an Austro-Servian war almost inevitable. A Berlin correspondent telegraphs that, although Germany supported her ally diplomatically, she was not consulted concerning the tenor of the Note. The disposition in Germany is to allow her to go ahead alone. The Note opens by reproaching Servia with not fulfilling the promise exacted from her after the annexation of Bosnia and Herzegovina to renounce all claim to those provinces. Austria-Hungary also demands that Servia suppress any newspaper that agitates against Austria-Hungary's integrity; that the Pan-Serb Society and other anti-Austrian groups be suppressed; that Servia eliminate any anti-Austrian references from Servian textbooks.

1939: Rumors of a Pact

BERLIN — Japanese rumors that a ten-year non-aggression pact between Germany and Soviet Russia is being negotiated were categorically denied here today [July 24]. Current negotiations between the two countries are for a credit and commercial exchange agreement only, it was pointed out. However, some recall the German-Soviet treaty of April 24, 1926, which constitutes a virtual non-aggression accord and seemingly continues to be honored by tacit agreement.

OPINION

This Good Bush Tax Idea May Become Even Better

By William Safire

WASHINGTON — Americans may be on the verge of a capital Capitol gain. A good Bush tax idea is taking root in Congress and may blossom into a better deal than the original.

Bipartisan budgeteers, under Gramm-Rudman discipline, agreed months ago that the taxpayers would have to ante up $5 billion.

To raise this money, Mr. Bush proposed to reduce the capital gains tax, carrying out one of the few specific promises in his campaign.

This is classic supply-side theory — reduce a rate, stimulate growth, generate more revenues — that liberal Democrats have been derogating as blue smoke and mirrors through the longest sustained U.S. boom.

In this case, however, Democrats realize that as people whose capital has grown act to take advantage of the break, a cut in the capital gains rate from the present 28 percent to 20 percent would indeed raise revenues in the next couple of years.

The drawback, liberal theorists warn, is in the "out" years, when richies playing the market would most benefit.

But Dan Rostenkowski of Illinois no longer has tight control of the House Ways and Means Committee.

A group of six Democrats likes the idea of painlessly raising the $5 billion, limiting the capital gains reduction to individuals and not corporations, and festooning it with tax incentives to low-income housing and historic preservation. All the committee's Republicans, long ago turned off by the hard-charging Rosty, are eager to go along with the mavericks.

Speaker Thomas Foley is horrified at this end run. He saw the Bush capital gains reduction as an offer to deal: If the Democrats agreed to reduce capital gains, the Republicans would accept a "user fee" increase in some other area, and Mr. Bush could say the package kept the promise read on his lips. But the maverick move would lose the Democratic leverage for a tax increase.

To stop the stampede, the speaker and the chagrined Rosty are offering a compromise to the White House: indexation of capital gains, not taxing that portion of the rise in value due to inflation, which has always been unfair.

So the House will pass either a capital gains reduction or an indexation.

The question is: Then what? Where will this go in the Senate?

The key man on Lloyd Bentsen's Finance Committee is the ranking Republican, Senator Bob Packwood of Oregon.

He has "misgivings" about tampering with the tax reform of 1986. The no-corporations limitation in the Democratic bill, which would zap Oregon timber companies, will not fly.

But he tells me he looks kindly on the indexation of capital gains taxation, which would remove a gross inequity. ("Gross Inequities" is a good name for a venture capital firm.)

Here's what to watch for: lengthy Senate hearings on this capital gains proposal, including the House bill, the original Bush clean-cut proposal and the indexation compromise being pushed by Mr. Foley.

And therein lies the potential opening for a major improvement in the relation of government to business.

In Senate hearings on the capital gains proposal, expect a sensible refinement of the idea: a larger tax on gains taken within six months, progressively lower rates as the years go by, no tax at all after five years.

In that way, excessive speculation would no longer be encouraged. Instead, long-term investment would be rewarded.

That would take the pressure off companies to show quick quarterly profits at the expense of solid, long-term growth. It would help U.S. companies invest in research to compete in the world market.

Hearings on capital gains would surely lead to wider debate about the current, wrongheaded U.S. corporate tax policy.

Today's tax law encourages Gross Inequities Inc. to take on junk debt for takeovers by making its interest expense deductible. The outmoded law also discourages stable equity investment by doubly taxing dividends.

This skew-whiffy economics has been making possible the construction of huge houses of cards.

Wall Street wheeler-dealers fear that the coming capital gains debate will open a Pandora's box. They forget that amid all the evils in the mythic box was one overriding good: hope.

We can hope that capital gains reduction is passed in the House.

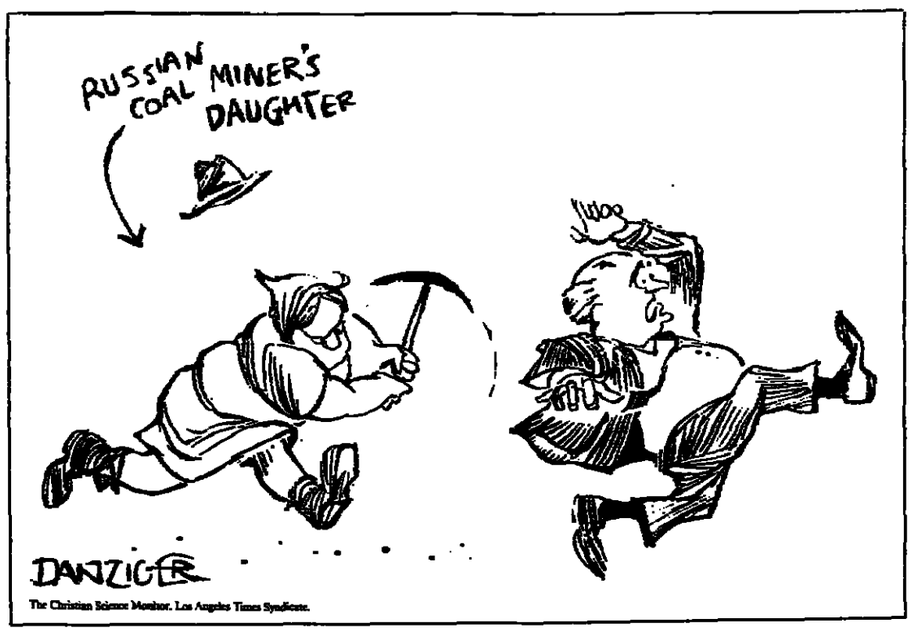
We can hope that the coming hearings in Senate Finance will address the wider issue.

We can hope that the debate awakens Americans to the need for a new impetus for investment over speculation, and for equity over debt, in the way Americans do business.

The New York Times.

THE deceptive appeal of raising revenues by cutting taxes threatens to overwhelm the better instincts of six Democrats on the House Ways and Means Committee. At issue is the tax on capital gains — to cut, adjust or leave it be. The best course is to leave it be. The Democratic leadership is pushing indexation of capital gains without a rate cut. But indexation won't satisfy those seeking the double bonanza of a rate cut and a quick boost in revenues. A tax cut for capital gains would seek an easy fix for today's problems by guaranteeing worse problems tomorrow. It violates tax reform. It flouts fairness.

— From a New York Times editorial.



LETTERS TO THE EDITOR

See China and Serve Truth

Last year more than 1.5 million foreign tourists visited China. Today there are virtually no tourists there, but that is certain to change. Most travel companies halted their tours only through August or until the chances of disruption have disappeared. Many companies plan to reschedule their clients later, and some clients are ready to go as soon as "normalcy" returns.

They and every tourist who follows must not allow themselves to forget the ruthless suppression of the democracy movement in China. More than that, travelers to China must assume a new role. They must ask questions, if only obliquely, that will draw attention to the events of June 1989. They must ask taxi drivers, hotel employees, shop owners and official guides if they believe Beijing's account of these events.

Tourists also must make themselves available and respond earnestly to questions from Chinese citizens.

This course of action is not without risks. The government, seeking to control information, will object, and occasionally tourists may find themselves in trouble.

Tourists must not make martyrs of themselves, nor should they jeopardize the Chinese they meet. The aim is not to shrilly attack the Chinese government or to get booted out of the country. The point is to spread the message that the rest of the world doesn't buy the big lie, while also spreading the truth.

DONALD D. GROFF.
Philadelphia.

From Hobbes to Li Peng

In "The Leviathan," Thomas Hobbes proposed that the best form of government was rule by an "enlightened dictator" since it was essential that a ruler have authority to fulfill his responsibilities but an enlightened attitude as to what that authority was for: the improvement of the society over which he ruled. Enter Mikhail Gorbachev; Hobbes would have been proud.

The drawback, which Hobbes recognized at the time, was the lack of checks to the enlightened dictator's authority.

Enter Andrei Sakharov, warning the West, and more importantly his own people, that the powers given to Mr. Gorbachev to undertake the reforms so desperately needed in the Soviet Union are excessive and dangerous, with too little control, irrespective of the fact that Mr. Gorbachev may not abuse them.

In addition there is the question of succession. What happens if Mr. Gorbachev catches the flu and dies, or is hit by a truck? Or, more to the point, what happens if Soviet citizens press demands for more democratization and established rights?

Enter Li Peng. The shooting of unarmed protesters in Tiananmen Square has shown that the line between enlightenment and brutality is thin indeed, the thinner the more that power is centralized in the hands of the few.

Western leaders, and West European leaders in particular, should prepare their citizenry more carefully with respect to overoptimism when dealing with dictators, enlightened or otherwise. This does not mean dragging feet in pursuing interests vital to both sides. It does mean remembering that what the dictator gives, he can also take away.

PATRIC B. HALE.
London.

It Was Illness That Kept the Palestinian Director Away

I was very proud that, in these difficult, painful days, the jury at an Israeli film festival chose a critical short feature film by a Palestinian director as the outstanding winner of the first Wolgin Prize for Israeli Film — purely on aesthetic and cinematic grounds.

In explaining why Rashid Mashrawi, the director, did not come to the award ceremony, a news service report placed the tension of those days in the context of the Arab terrorist attack on an intercity bus which killed 16 people and injured 24. (The report in your "People" column on July 11 omitted this element.)

In fact, the bus attack had no bearing on Mr. Mashrawi's failure to appear at the ceremony — at which the Bedouin producer of the film, Bashir Abu Rabia, accepted the award. Mr. Mashrawi was at home in Tel Aviv, ill in bed, and that is the only reason he was not able to receive the award in person. This was a shame, as he deserved the honor and had spent a great deal of the week of the festival at the Cinémathèque in Jerusalem.

There is so much to criticize, is it necessary to malign the admirable?

TEDDY KOLLEK.
Jerusalem.

Today's Soviet Hero Made His Statement With Satire

By Gene Sosin and Gloria Donen Sosin

MOSCOW — Vladimir Vysotsky, the Soviet actor and poet-balladeer who died suddenly nine years ago today, July 25, at the age of 42, is more famous than ever in the Soviet Union now. Although he is relatively unknown in the West, he continues to be idolized in his homeland for the hundreds of satirical songs that he composed about everyday life during the time of Leonid Brezhnev.

Accompanying himself on the guitar, he performed them at semiofficial gatherings and private meetings. They were taped by his fans on their cassette recorders and then disseminated clandestinely throughout the country.

These irreverent songs have not lost their relevance in the era of Mikhail Gorbachev, as we have discovered on a six-week trip to Moscow, Leningrad, Lithuania, Latvia, Estonia and the Ukraine — including visits to Kiev, Odessa and the towns of Berdichev and Khmelnitski. We were especially interested in investigating the posthumous cult of Vysotsky.

We questioned young and old, men and women — writers, scientists and artists, taxi drivers, chambermaids, waiters, Intourist guides, department store clerks, Aeroflot flight personnel. Invariably his name provoked enthusiastic response: "Volodya was our conscience." "He told it like it is." "He is our national hero." "I'll never forget him. I was at his funeral with thousands of others. I go to visit his grave."

Vysotsky has been rehabilitated in recent years, in contrast to the virtually total ban imposed on his poetry, records and public singing appearances during his lifetime. He did not consider himself to be a dissident, but the mirror he held up to the nitty-gritty of Soviet reality was too glaringly frank to please the preglasnost establishment.

Now that his social commentary is considered useful to the current regime in its campaign against the "stagnation" of the 1960s and '70s, several books of his poetry, record albums, picture posters, documentary films and a four-hour television series celebrating his life and work have been produced. Astronomers have even given the name "Vladvysotsky" to a newly discovered asteroid. He has been posthumously awarded a State Prize of the U.S.S.R., the country's highest cultural honor.

At the Taganka Theater in Moscow, where Vysotsky was a star from 1964 until his death, we spoke with Peter Leonov, a dedicated young scholar who is collecting memorabilia for a forthcoming Vysotsky museum.

There is Vysotsky's dressing table as he left it — a half empty pack of Marlboros, some flowers, his favorite jacket — a hideous green and brown tweed made from a bolt of material that his father brought back from Germany in the 1930s. Since his childhood he had been wearing clothes made out of that fabric. The jacket hangs on the back of a chair, the lining in tatters, the elbows worn through, patched and mended many times; it was his good luck jacket. The high wall is covered with photographs of Vysotsky in such famous roles as Hamlet and Brecht's Galileo.

Vysotsky lived at a fast pace, and sensed impending death. He drank too much, he was into drugs. He drove his own Mercedes and smoked incessantly.

He was married to Marina Vlady, a French film actress of Russian parentage. He had a comfortable apartment in Moscow, and was allowed to travel abroad frequently, often staying in Paris with his wife. Two years ago she wrote a frank biography of Vysotsky, published in French, that has been translated into Russian and was an immediate sellout in Moscow this spring. A second, huge printing is expected.

When our Russian friends saw the copy we had bought for hard currency in the Beriozka bookshop near the Italian Embassy in Moscow, they begged us to borrow it, just overnight. At the flea market at Ismailovsky Park we bought another copy for 10 rubles, almost two days' wages for an average Soviet worker and $16 at the official rate. On the Arbat pedestrian mall, young guitarists, Vysotsky's would-be successors, try to reproduce his inimitable gravelly voice.

That voice was heard everywhere we traveled. We took an overnight train from Riga to Tallinn that could be called the gulag local. The distance is only 300 kilometers but the trip lasts eight hours over a bumpy roadbed, with more than 20 stops. Blaring over the loudspeaker as we entered our compartment was a Vysotsky song complaining about long lines for food. It was one of the conductor's favorite tapes.

As the anniversary of their beloved Volodya's death approached, more admirers than usual have been crowding Moscow's Vagankovskoye Cemetery. Thousands push and shove to put flowers on his grave and see the bronze statue, a guitar strapped around his back and two horses' heads flowing from his shoulders almost like wings — an allusion to one of his best known songs:

A little more slowly, my horses.
I beg you, don't gallop along.
What fidgety horses they gave me!
Let me finish my life and my song.
I'll sing a few lines, give the horses a drink —
Linger one moment more at the brink!"

Vysotsky's popularity will continue into the next century. Soviet children are being taught what he meant to their elders. What a pity he is still not alive. He would have had a field day satirizing perestroika.

International Herald Tribune.

MEANWHILE

GENERAL NEWS

A Honecker Ailment, Minor or Grave, Puts Analysts on Alert

By Serge Schmemann
New York Times Service

BERLIN — When Erich Honecker, the 76-year-old leader of East Germany, was briefly hospitalized in Romania this month, East Berlin was instantly plunged into one of the oldest games in the Soviet bloc — the succession watch.

Mr. Honecker was attending a Warsaw Pact summit meeting in Bucharest when he was stricken with what his official press described as a severe gallstone attack.

After one night in the hospital, he was flown to East Germany July 15 and, after three days in the hospital, he was reported to be recovered and away on vacation.

That may have been all it was. Mr. Honecker is generally a healthy man, and diplomats said they sensed no unusual nervousness among high East Germans.

But Mr. Honecker is also about to turn 77, and he heads a regime that has staunchly held out against *glasnost* and *perestroika*, the Soviet policies of openness and economic and political change. So the question of succession was high on the diplomatic and political agenda even before Mr. Honecker fell ill.

Some diplomats, moreover, thought they saw hints that his condition was worse than the official press let on. For one thing, his deputy, Egon Krenz, was said to have planned to leave for China. But another member of the Communist Party's Politburo, Günter Schabowski, went instead, leaving Mr. Krenz in charge and, some suspicious analysts suggested, poised to succeed.

Whether a succession was imminent or not, Berlin-watchers from both West and East agreed that Mr. Krenz, a 52-year-old hard-liner, was probably first in line to succeed Mr. Honecker.

Tough, smart, and a skilled speaker, Mr. Krenz is considered the first choice of Mr. Honecker and of the aging Old Guard that still controls the Politburo. Though these men are generally too old to assume the leadership, they are thought to believe that Mr. Krenz would pursue their line.

Mr. Krenz frequently fills in for Mr. Honecker, as he is doing now, and already wields considerable power as a full member of the Politburo and as the party secretary charged with state security.

Among Western diplomats, Mr. Krenz is considered the archetypal Communist in Mr. Honecker's mold. Like Mr. Honecker, he rose through the ranks of the Young Communists and the state security apparatus.

Mr. Krenz would not be expected to introduce change. Diplomats do credit him, however, with a directness of style and speech. During a recent visit to the Saarland in West Germany, he held his own in debates on China and on German unification, and visiting members of the U.S. Congress were reportedly impressed with his comportment under fire.

Mr. Krenz is married to a Russian and has taken care to maintain good relations with the Soviet Union, whose approval is still considered helpful, though no longer critical, to an aspiring politician.

Mr. Krenz's weakness is that he would be strongly opposed by younger party members, who are thought to be increasingly frustrated with stagnation at the top. He is also reputed to have had health problems caused by diabetes or drink, or both.

Another weakness is that one-third of the 21 members of the Politburo are in their 70s and 80s. Though this old guard now wields considerable power, and though they have tried to select new members in their mold, their demise will inevitably change the face of the Politburo, just as the deaths of Mikhail A. Suslov and Dmitri F. Ustinov precipitated the collapse of the Old Guard in Moscow.

One Politburo member who could become a contender is Mr. Schabowski, the 60-year-old East Berlin party chief and a man suspected by many diplomats of quietly supporting economic and political change, somewhat in the mold of the Soviet president, Mikhail S. Gorbachev.

Mr. Schabowski is a persuasive speaker, and Berlin supplies him with a strong power base. His standing with the Soviet Union is considered good — he is also married to a Russian — and, at 60, he is relatively young.

Siegfried Lorenz, 59, chief of the party organization in Karl-Marx-Stadt, is also occasionally mentioned as a contender, especially as a compromise candidate.

A full member of the Politburo, he has a good reputation and a good appearance, but some diplomats believe that he lacks the ambition and force to push his way to the top.

The longest shot, and a favorite of liberals, is Hans Modrow, 61, party secretary of Dresden. Mr. Modrow's chances are scant — he is not even a candidate member of the Politburo, and he was recently assailed by name in a Politburo report for mismanagement in Dresden.

But these are tumultuous times in the Soviet bloc, and Mr. Modrow is considered by many to be the Boris N. Yeltsin of East Germany — a symbol of change and innovation.

He has urged young party members to open a dialogue with church leaders and dissidents. He made no secret of his support for economic changes taking place in China before the violent suppression student demonstrations. He is an open admirer of Japan, and he has fought back against the Politburo criticism in the Dresden press.

For the present, however, there is every indication that Mr. Honecker has no intention of stepping down. If his health holds up, he is expected to be re-elected general secretary at the next Communist Party congress, which he moved up from 1991 to next May.

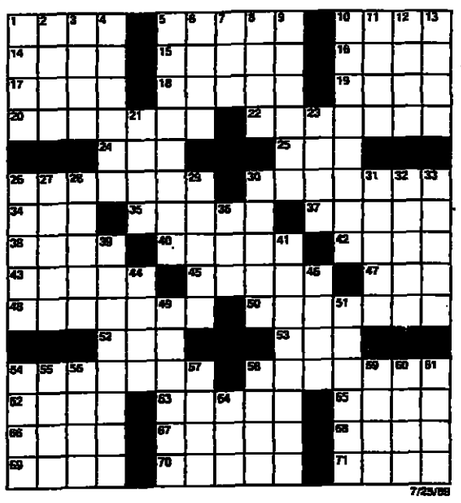
Thomas Kienzle/The Associated Press
Erich Honecker visited his sister in West Germany in 1987, his first trip to Wiebelskirchen, where he grew up, in 40 years.

ACROSS

1 Whitish powder
5 Time and neutral followers
10 Milling byproduct
14 Medley
15 Cool one's heels
16 Etna's output
17 Utah city
18 Amazon tributary
19 Parrots
20 Colorful garments in Cancún
22 A daughter of Agamemnon
24 Part of a trek
25 Wapiti
26 Furniture bottoms, sometimes
30 Gumshoe
34 Letters for Margaret
35 Nitpicking
37 Angel in white
38 Don José's emotion
40 Green
42 Parimutuel recording device, for short
43 Changed residences
45 End at an early stage
47 Foundation
48 Act like an oracle
50 Casino employees
52 Benny's Maxwell
53 Barely make do
54 Sherwood Forest's Will
58 Covering for Larry Bird's foot
62 Mississippi tributary
63 Do an accounting job
65 Emperor after Claudius I
66 Pops
67 "Mack the ——"
68 Midterm, for example
69 Olympic hawk
70 The fat man in red
71 Cheers in Toledo

DOWN

1 Male turkeys
2 Lotion ingredient
3 Speaker with forked tongue
4 Shade of blue
5 "... Purple Sage" author
6 Is in the red
7 Broken-down thoroughbred
8 Green isle
9 "A —— Life," 1939 film
10 Power failure
11 Engrossed
12 State
13 Its red-letter day was in July 1969
21 Bird sound
23 College in the Tarheel State
26 Wearer of a crown
27 Galahad's garb
28 Push roughly
29 Brown-furred ermine
30 Religious council
31 Investigate
32 Perfume basis
33 Attachments on clarinets
36 Vessel for butter
39 Organization founded in 1864
41 Chop-suey companion
44 Control
46 Booty
49 Sounds old
51 Shed
54 Fountain drink
55 Scorch
56 Nye, to Napoleon
57 Bluefin
58 Separate carefully
59 Boat-bottom timber
60 Language for 8 Down
61 Decomposes
64 Heavy metal, to many listeners


7/25/89

© *New York Times, edited by Eugene Maleska.*

Solution to Previous Puzzle

A	C	H	E		D	E	C	O	R		O	R	A	L
P	O	O	L		E	R	O	S	E		R	I	C	E
T	O	P	B	A	N	A	N	A	S		A	G	R	A
	T	E	E	N	S		S	K	I		T	H	E	N
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F	I	L	B	E	R	T	S		T	U	R	F	E	D
A	L	E	E			O	T	T	E	R		I	R	A
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S	A	T		H	E	L	E	N			E	L	S	E
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B	A	R	S		D	E	E	M	S		N	E	S	T

Activist Says Armenia Backs Demands

By Meg Bortin
International Herald Tribune

PARIS — After 18 months of mass protests, strikes and confrontation, Armenian nationalists in the Soviet Union now feel that the Communist leadership of their republic supports them on all fronts but one, according to a leading activist.

Levon Ter-Petrossian, a founding member of the Karabakh Committee, which launched the Armenian struggle, said pressure from below had forced the leadership to accept all the activists' demands except the formation of an Armenian division of the Soviet Army.

"The government says this is impossible," Mr. Ter-Petrossian said in an interview during a visit to Paris. "We can say this is the only point they do not agree with."

Like members of the popular fronts in the Soviet Baltic republics, the Armenian nationalists are fighting to obtain what they describe as sovereignty within a Soviet federation. Their main goal remains the transfer to Armenia of the Nagorno-Karabakh Autonomous Region, a small enclave within the neighboring republic of Azerbaijan. The Supreme Soviet of Armenia has supported that goal since last summer.

The nationalities crisis has sharpened with the recent eruption of ethnic violence in Central Asia and Georgia. At the same time, the Armenians say they have achieved significant successes since the spring, when a general strike in the republic forced the leadership to release 14 activists from prison.

Mr. Ter-Petrossian, 44, who was among those freed, said the authorities also had agreed to hold a dialogue with him and the others they had ordered jailed for political activism in December and January.

"The leadership of the republic, the party and the government had reached an impasse," he said. "People refused to recognize them. Their only possibility for saving face was to declare that they were prepared to recognize the leadership of the popular movement and hold a dialogue with them."

Having now reached a measure of accommodation with the authorities, he added, the Armenian National Movement, an organization that emerged from the Karabakh Committee, is not seeking to replace the Communist Party as the dominant force in the republic — at least for the moment.

"We are not trying to take power," Mr. Ter-Petrossian said.

The Armenian challenge to President Mikhail S. Gorbachev differs from nationality struggles in other Soviet regions because of the combined effects of mass pressure from below and popular defiance of the presence of troops and tanks over many months.

Troops were sent to the capital, Yerevan, and other Armenian cities after huge demonstrations over Nagorno-Karabakh, where troops also are deployed. More than 90 people have died in ethnic violence in the enclave since February 1988.

Mr. Ter-Petrossian, an academic specializing in Eastern cultures, said that developments in Armenia and Nagorno-Karabakh bore a stronger resemblance to the struggle of the Solidarity movement in Poland than to the fight for sovereignty in the Baltic republics of Estonia, Latvia and Lithuania.

"The movements in the Baltic republics started not from the bottom, but from the middle, with the intelligentsia and middle-level functionaries," he said. "They did not need tactics like mass rallies and strikes.

"In Armenia, like in Poland, we have had a true opposition movement against the leadership from the very beginning."

As a result, he said, the Armenian movement has had a stronger influence on other parts of the country than other nationalist campaigns have had.

Beyond the unresolved problem of the status of Nagorno-Karabakh, sovereignty is the principal aim of the Armenians.

This would mean ensuring that the Armenian culture and language predominated in schools, churches and the news media, that the republic gained full control over its economy and its environment, and, in the view of the movement, that Armenians drafted into the Soviet Army would have the right to serve exclusively on Armenian soil.

This final point is a delicate one for the Soviet leadership, which has traditionally sent soldiers far from their home republics to prevent any chance that they might side with the population if called out to control local disturbances. The Kremlin so far has refused similar demands from the Baltic republics.

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ARTS / LEISURE

Ferré's Dior Debut: Uptight Chic

By Suzy Menkes
International Herald Tribune

PARIS — Gianfranco Ferré has a vision of Paris haute couture. It is of a woman of constipated chic, hair drawn violently up, heels balanced perilously high, gloves cuffed in fur. Between neck and knees she wears a Little Black Dress.

Dior has been here before. But those were different days. And the

PARIS FASHION

problem with Ferré's first show for the house of Christian Dior was that it all looked like a pastiche of Paris fashion in the 1950s. Even the program gave snobbish names to the outfits, and it needed only a vendeuse calling out "Trot," "Dufy," "Vincennes," "Mystère," to take us back to the days of little gold chairs in the chandeliered salon before the ready-to-wear youthquake knocked the stuffing out of clothes and the stuffiness out of high fashion.

Ferré is a star of modern Italian fashion and a very fine designer. When he allowed himself to forget that he had at his disposal the best couture craftsmanship in Paris with all its fur and feathers (not to mention the embroidery and beads), he made some pretty nice clothes. A pinky beige cashmere coat swung easy over a skinny dress; there was a neat gray suit with flaring sleeves and white piqué bow whipped up at the neck; a light cloud of gray faille for a coat kept its fur discreetly on the inside.

Potential customers were pleased that it all seemed so ready-to-wearable.

"The suits were beautifully cut *and so simple*," said Anne Bass, who had marked half a dozen outfits.

"I loved the redingote with the white satin cuffs," said Paloma Picasso, who was turned out in a vibrant Emilio Pucci silk shirt and pants, snapped up in Florence before Pucci's palazzo closes.

"It was a great show," announced Grace Jones, who was wearing *a pin-striped vest and* pants suit by thoroughly modern designer Jean-Paul Gaultier.

What does a Paris couturier do with a simple suit to make it truly "couture"? Gianfranco Ferré, the spare, pure architect-turned-fashion-designer, decided to dress up pale cashmere with encrustations of black lace; his tweeds were embroidered with sparkles; bits of fur were inset into chevron tweed; in one memorable coat, black and white lace was overlaid on fur. It looked like Marie Antoinette had just stopped by at the furriers.

Even the simple clothes seemed to have an armor-plating of construction underneath. Skirts of redingotes were stiffened. All sorts of petticoats and even a fur skirt came between the clothes and the body —while the true art of couture, like a high wire act, is to look simple and uncomplicated.

Paradoxically, Ferré, who has never been a great after-dark designer, had a certain success with the evening clothes. He allowed his heart to overule his head for some paisley embroideries, which had nothing to do with some mythical concept of the Dior "look," but was just part of a modern feeling for the exotic and Ferré's own affection for India. Pale pearl embroidery on greige chiffon for slim dresses and jackets was also elegant.

Ferré dedicated his collection to Cecil Beaton, and in the taffeta evening gowns with spreading skirts there was a feeling of Beaton's fair ladies. Corsages of flowers, pinned often at the back, included Dior's signature lily of the valley. The big bow, a Ferré signature, came in light organza at the neck of many outfits.

The colors warmed up at night, with a sunset red blushing over the taffeta gowns, which were trimmed with red fox. A floor length spotted coat carried the redingote theme from day to night.

Ferre came back to the heart of Paris fashion with what he called his "surprise dresses" — columns of black crepe that came out as a cape and then fell into a long double skirted dress. The biggest surprise is probably that you get one dress for the price of two.

Jean-Louis Scherrer rode around the world on a magic carpet. His show started in Rumitania, with military coats and pants swagged with gilt and fringing; his models took off for Afghanistan coddled in Mongolian lamb; passed by way of Scherrer's favorite Tirol in loden green suits banded with braid; stopped by in old Russia, for lamé brocades, and finished up in the Orient of a Thousand and One Nights, where Turkish delights included opulent brocades, richly embroidered leather, tassels and turbans.

"My collections usually have one theme, but this time I took my inspiration from all round the globe," said Scherrer after the show, at a lunch he hosted at the Ritz — the hottest spot for socializing in steamy Paris because of its cool garden. Guests included Pat Kennedy Lawford, and Isabelle d'Ornano (who had already ordered a lamé dress with Persian miniatures down the sleeve).

A feeling for luxury and ornament bound together Scherrer's far flung places and that is why the show worked so well. Many of the day outfits were deliciously pretty, with just a touch of flowered braid banding a suit or a fringed scarf wrapping a georgette dress that was patterned in gray, like shadows of passing clouds.

Under the tassels and fancy work were basic lines: the broad-ish-shouldered suit, the draped dress, the fluid or airy evening dress. A lot of women will be pleased to see pants suits, mostly swagged up with military details, which was also the theme of the final wedding outfit.

The details were excellently thought out, with shoes encased in brocade slippers and hair either in a long Indian plait at the back, tipped with a gold trim, or falling loose and scattered with hippie flowers.

The show was also well-paced, so dramatic passages inspired by distant places were broken by plainer clothes that brought the show firmly back to Paris fashion. Bernadette Chirac, looking cool in a black-and-white striped Cardin blouse and red skirt, admired an outstanding group of black velvet dresses with cut lace work at the hems. The show-stoppers among the Scheherazade dresses were in violet chiffon, exotically embroidered, and a turban topping a shocking pink jacket over a gold leather skirt fantastically embroidered in relief by the ubiquitous François Lesage.

Pierre Cardin broke with tradition by starting his show with the wedding dress. Its hoopla skirt showed that Cardin's André Oliver was up to all his old tricks: the cape-jackets binding the arms to the body, the castellated necklines, the Chinese-lantern coats unfolding in petals, the lampshade skirt pleated from the hips and wired out at the hemline. No chance here of finding, from fashion's founding father of space age modernity, the current feel for decoration and richness.

Pierre Balmain's designer, Erik Mortensen, wants to make divas of us all. His vast taffeta baby doll dresses would be just the thing for a Junoesque soprano — especially if she had the legs for panty-hose sprinkled with silver stars.

Other fine feathers were mighty green coq plumes sprouting from the front of a jacket and tufts of feathers on the taffeta smocks. There were some day clothes — poncho coats worn with awkward mid-calf culottes and some hommage-to-the-hippies embroidered coats trimmed with Mongolian lamb. It all seemed a bit too much.

Adrienne Horwich, one of a group of U.S. high fliers, brought to the Paris collections for the first time by Judy Price of Avenue Magazine, loved the show.

"Fabulous," she said. "The skirts short at the front with the fancy tights were breathaking." Lady Fergusson, wife of Britain's ambassador to France, was more reserved. "I liked it a lot," she said. "But I'm not sure about those tights."

Jean-Luce Huet

AP

Reuters

Dior's grand evening look by Gianfranco Ferré (right): floral evening gown with corsage of flowers at the back over sequinned petticoat. Above right, Dior's tweed-pattern suit cuffed in fur over white vest; left, Jean-Louis Scherrer's One Thousand and One Nightime look of exotic embroidery, paisley pants and turban.

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Wine From Czar's Cellar Is to Be Sold

By Molly O'Neill
New York Times Service

LONDON — Sotheby's of London has announced that a cache of 13,000 bottles of wine from Massandra, once the personal cellar of Czar Nicholas II, is to be sold at auction in London in March 1990.

The auction will include 24 wines from 1917, the year of the Russian Revolution, and over 1,000 wines dated before 1918, 62 of which bear the Imperial seal and are embossed with the Imperial double-headed eagle.

Vintages tasted by Churchill and Roosevelt at the Yalta Conference will also be put on the block. The wines are being put up for sale by the Soviet government. It is the first large-scale auction of pre-revolutionary Russian wines in the West.

In 1987, Christie's of London auctioned several bottles of 1909 wine from Massandra, a wine-growing region just east of Yalta, and each brought about $280, according to Michael Davis, who heads the wine department at Christie's in the United States. Sotheby's expects the wines to bring around $800,000.

The wines are all products of

Sotheby's expects the wines to bring about $800,000.

the Soviet Union's largest wine-growing region, the Crimea, and are classic sweet wines of the 18th and 19th centuries. Most are fortified with brandy. The wines range from dry sherry to the richly honeyed Imperial Tokays and include sweet muscat, Madeira and malaga-style wines.

David Molyneux-Berry, director of wine sales at Sotheby's, said all were wines destined for the Imperial court and were "made for the long term, with a good acidity level and the high sugar content necessary for keeping."

Following Sotheby's auction of modern art last July in Moscow, Molyneux-Berry toured the Massandra cellar and tasted examples of each wine that will be offered for auction. His tasting notes describe the 1896 Honey of Altae Pastures as having a "soft, warm, ripe nose." "You can actually smell honey." The 1880 Seventh Heaven he characterized as "soft, ripe, warm, long, long palate, finish and aftertaste." "Quite extraordinary. Will last forever," he added.

He said the wines are in perfect condition, largely because of the Massandra cellars. Like the classic cellars of the Champagne region of France, these rambling caves were carved in rocky hillsides and therefore have the stable humidity and temperature that resting wines require.

All of the wines to be sold were ordered held in Massandra by Stalin in 1922.

Sources familiar with the Crimea growing region believe that the Soviet decision to sell the wine is a practical one. "They are trying to raise Western currency in order to invest in Western-made wine-making equipment," Molyneux-Berry said.

The Soviet Union is the world's third-largest wine-producing country, with over three million acres (1.2 million hectares) of vines under cultivation.

ls to Be Sold

Herald Tribune. INTERNATIONAL

BUSINESS/FINANCE

TUESDAY, JULY 25, 1989 **

INTERNATIONAL STOCK MARKETS

Paribas Readies Defenses As Rules of Game Change

By ALLAN SAUNDERSON

Reuters

PARIS — Compagnie Financière de Paribas, France's largest merchant bank and one of the backers of Sir James Goldsmith's £13 billion bid for BAT Industries PLC of Britain, is lining up its own takeover defenses. But bank analysts said Michel François-Poncet, the Paribas chairman, has no immediate reason to fear a Goldsmith-style bid.

Still, its recent capital moves have been timed to combine prudence in the face of government rule changes for privatized companies with a need to quickly boost the price of Paribas stock. Analysts said a government-supported raid last year on Société Générale, a commercial bank that had been privatized, has also deepened concern over the vulnerability of Paribas.

> **The company must boost its stock price amid fears of government antagonism.**

"What François-Poncet is trying to do is make contingency plans," said Nadir Latif, a bank analyst with Morgan Stanley Ltd.

Paribas, with 1988 assets of 736.88 billion francs ($114.6 billion) and attributable net profit of 2.65 billion francs, has 58.5 million outstanding shares. The stock closed at 497 francs a share on the Paris Bourse on Tuesday, giving the company a market capitalization of just under 30 billion francs.

Paribas is facing a July 31 deadline to boost its stock price above 500 francs per share. On that date, warrants to purchase 8.6 million new shares will expire, robbing the bank of a cash infusion of more than four billion francs. Mr. François-Poncet told investors in June that the net asset value of the stock was at least 610 francs per share, and that he expected the 500 franc price to be reached in time.

Foreign firms have recently taken modest stakes, responding to Mr. François-Poncet's wish to build, "a small number of shareholders, a web, each having something like 6 or 8 percent of capital."

Banca Commerciale Italiana, the Italian state bank that has historical links with Paribas, last week gained approval for a 2 percent capital swap. The Danish insurance company Hafnia Invest Ltd. also agreed that Paribas take 2.4 percent of its equity and 4.4 percent of voting rights in return for 1 percent of Paribas.

FERRUZZI Finanziaria SpA, which is controlled by the Italian industrialist Raul Gardini, took a 3 percent stake. Among other foreign investors with large minority holdings are Sumitomo Life Insurance Co. and the Kuwait Investment Office.

Like all state companies privatized by the rightist government of former Prime Minister Jacques Chirac, Paribas in March 1987 assembled a "hard-core" shareholder group as a long-term defense against hostile raids.

Other nationalized companies hold around 12 percent of capital. While this was no problem when Mr. Chirac was prime minister, the arrival of Michel Rocard has brought back to power the Socialist party, which has a historical grudge to settle.

In 1981, anticipating the nationalization of banks planned by the incoming Socialist president, François Mitterrand, Paribas enraged the political left by spinning off Swiss and Belgian assets into local units before the legislation became effective. These became the core of Pargesa Holding SA of Switzerland, now with 3 percent of Paribas, and Cobepa, a Belgian subsidiary.

Now, the state would also like to have more leverage over a bank that at the end of 1988 held 35.6 billion francs worth of investments and that controls 500 companies, about 55 percent of them French.

Pierre Bérégovoy, the French finance minister, is dismantling the rules tying in hard-core investors. Last month, he steered leglislation through Parliament outlawing so-called autocontrol. Effective July 1, 1990, voting rights of self-owned shares held through subsidiaries or controlled affiliates will be canceled. Paribas owns 9 percent of its own capital that way.

Currency Rates

Cross Rates

July 24

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.1595	3.485	1.1281	0.3327	0.1583 *	—	5.388 *	1.3078	1.5089 *
Brussels(a)	39.9125	64.71	20.94	6.1735	2.902 *	18.561	—	24.2715	0.28
Frankfurt	1.9061	3.089	—	0.2949	0.1386 *	0.8865	4.776 *	1.1591	1.3375 *
London (b)	1.618	—	3.0878	10.466	2,225.50	3.4185	64.575	2.6583	231.78
Milan	1,377.45	2,228.25	721.67	212.82	—	638.94	34.462	836.16	9.649
New York(c)	—	1.4255 b	1.8969	6.428	1,367.00	2.1485	39.685	1.6355	142.555
Paris	6.465	10.4865	3.3918	—	0.47 *	3.0063	0.162	3.931	4.538 *
Tokyo	143.25	231.92	74.88	22.13	0.1039	66.33	3.5777	86.92	—
Zurich	1.643	2.6633	0.862	0.2541	0.1194 *	0.7637	4.113 *	—	1.1518 *
1 ECU	1.0881	0.6711	2.0745	7.0357	1,496.69	2.3402	43.4398	1.7894	154.968
1 SDR	1.2652	0.7886	2.4117	8.1797	1,741.94	2.7289	50.4985	2.08	181.181

*Closings in London, Tokyo and Zurich, fixings in other centers. New York closing rates. a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	620.16	Fin. markka	4.281	Mex. peso	2518.00	S. Afr. rand	2.712
Austral. $	1.3375	Greek drac.	164.65	N. Zealand $*	1.7391	Soviet ruble*	0.637
Austr. schill.	13.41	Hong Kong $	7.805	Nig. naira*	5.2995	Span. peseta	119.55
Brazil cruz.	1.984	Indian rupee*	16.5300	Norw. krone	6.98	Swed. krona	6.4935
Canadian $	1.1885	Indo. rupiah	1763.00	Phil. peso	20.78	Taiwan $	25.56
Chinese yuan*	3.7221	Irish £	0.7133	Port. escudo	159.00	Thai baht	25.72
Danish krone	7.4035	Israeli shek.	1.99	Saudi riyal	3.749	Turkish lira	2108.00
Egypt. pound	2.5732	Kuwaiti dinar	0.2947	Sing. $*	1.9595	UAE dirham	3.6701
		Malay. ring.*	2.6815	S. Kor. won	659.81	Venez. boliv.	36.75

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6143	1.6083	1.6021	Canadian dollar	1.1917	1.1950	1.1982
Japanese yen	141.88	141.47	141.10	Swiss franc	1.6508	1.6483	1.6462
Deutsche mark	1.9028	1.8998	1.8969				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits

July 24

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	9-9 1/16	6 7/16-6 9/16	7 1/16-7 1/4	13 15/16-14 1/16	8 15/16-9 1/16	5 1/16-5 3/16	8 15/16-9 1/16	8 5/8
2 months	8 7/8-9	6 7/16-6 9/16	7 1/16-7 3/16	13 15/16-14 1/16	8 15/16-9 1/16	5 1/16-5 3/16	9 1/16-9 3/16	8 5/8
3 months	8 7/8-9	6 7/16-6 9/16	7 1/16-7 3/16	13 13/16-13 15/16	8 15/16-9 1/16	5 1/16-5 3/16	9 1/16-9 1/4	8 5/8
6 months	8 13/16-8 15/16	6 7/16-6 9/16	6 15/16-7 1/16	13 5/8-13 3/4	8 15/16-9 1/16	5 3/8-5 1/2	9 1/16-9 3/16	8 1/2
1 year	8 1/2-8 5/8	6 7/16-6 9/16	6 13/16-6 15/16	13 7/16-13 9/16	8 15/16-9 1/16	5 3/8-5 1/2	9 1/4-9 3/8	8 1/2

Sources: Morgan Guaranty (Dollar, DM, SF, Pound, FF, yen); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

July 24

United States	Close	Prev.
Discount rate	7.00	7.00
Prime rate	10.50/11	10.50/11
Federal funds	9 1/8	9 1/8
Com paper 90-179 days	7.63	7.65
3-month Treasury bills	8.05	8.05
6-month Treasury bills	7.72	7.78
1-month CD's	8.50	8.50
3-month CD's	8.50	8.45
Japan		
Discount rate	3.25	3.25
Call money	5 1/16	5 1/16
1-month interbank	5 5/16	5 9/32
3-month interbank	5 11/32	5 11/32
West Germany		
Discount rate	4.50	4.50
Lombard rate	7.00	7.00
Overnight rate	6.95	7.00
1-month interbank	7.00	7.05
3-month interbank	7.00	7.05
6-month interbank	7.05	7.05
Britain		
Bank base rate	14.00	14.00
Call money	14 1/8	14.00
1-month interbank	13 31/32	13 15/16
3-month interbank	13 3/4	13 3/4
France		
Intervention rate	8.75	8.75
Call money	8 13/16	8 13/16
1-month interbank	8 15/16	8 7/8
3-month interbank	8 15/16	8 15/16
6-month interbank	8 15/16	8 15/16

Sources: Reuters, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

July 24

1 month	9 - 9 1/16
2 months	8 7/8 - 9
3 months	8 13/16 - 8 15/16
6 months	8 13/16 - 8 15/16
1 year	8 1/2 - 8 5/8

Source: Reuters.

U.S. Money Market Funds

July 24

Merrill Lynch Ready Assets
30-day average yield: 9.02

Telerate Interest Rate Index: 8.622

Source: Merrill Lynch, Telerate.

Gold

July 24

	A.M.	P.M.	Ch'ge
Hong Kong	372.05	372.05	+ 0.10
Luxembourg	372.10	—	+ 0.10
Paris (12.5 kilo)	373.98	373.57	— 1.19
Zurich	372.10	372.05	— 0.20
London	372.00	371.95	— 0.45
New York	—	372.75	+ 0.75

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

Stanley Tools: In Europe, Little Except the Name Is American

By Louis Uchitelle

New York Times Service

BESANCON, France — Stanley Works is an old-line Yankee manufacturer, but walk through its factory here and nothing other than the name is recognizable as American.

The managers and engineers are French. The hand tools produced here are made from European steel and plastic. The new machines on the assembly line are, mostly, designed on the premises by Stanley's engineers and built either by them or by subcontractors nearby. Not one screw comes from the United States.

Thus is The Stanley Works, an old New England name associated with hardware and do-it-yourself tools, evolving into a global company. And it is a far different creature from the multinationals of the 1950s and 1960s. Then, American corporations supplied their overseas factories with machinery, technology and materials from home. Today's global companies spread wealth abroad — as Stanley is doing in eastern France.

"We are going to wake up soon to the fact that a lot of American companies are no longer American," said Robert B. Reich of Harvard's Kennedy School of Government.

Stanley is far from losing its American identity, but its experience in Besançon is representative of that of many American manufacturing companies. That includes learning tricks not widely practiced at home and trying to get used to the idea that foreign managers should be left to run things their way.

These days, Stanley is concentrating its European production in Besançon and in Sheffield, England, after closing plants elsewhere in Europe that were marginally profitable.

It has spent $16 million on automation in the past two years, nearly 9 percent of the company's capital investment worldwide.

The idea is to put these factories on a par with Stanley's operations in the United States, although the process is slow and leads to some striking contrasts at the factory in Besançon. Two women, for example, sit side by side, pulling at levers that hand-stamp the Stanley name on saw blades, one at a time. Nearby, a new $500,000 machine with robotic arms and computer controls assembles steel measuring tapes, almost unattended.

Stanley purchased the plant here quite by chance in 1970, from a French entrepreneur, Michel Quenot, who made tape measures and had grown tired of labor troubles and other headaches. But if Richard H. Ayers, Stanley's chairman, had paid a consultant millions to find an ideal site for a global factory, he could not have come up with a better place.

Watchmaking had been Besançon's main industry and chief source of jobs. The collapse of the watch companies here and in nearby Switzerland in the late 1970s, victims of the new digital technology, sapped the work force of its notable militancy.

Strikes today are rare, and wage increases for Stanley's factory workers barely keep up with inflation. (Skilled workers seldom earn more than $15,000 a year, and most engineers receive less than $40,000.)

Government jobs — Besançon, with a population of more than 150,000, is the capital of the Franche-Comté region, and the site of a major army base — help to keep the city bustling.

Important for Stanley, engineers who once ran the region's watchmaking factories now make electronic devices and intricate factory machines. The operators of these small machine shops are gaining a reputation as experts in an automation technique known as flexible manufacturing.

The local engineering school that once trained people for watchmaking now has a research center for flexible manufacturing. Companies such as Stanley help finance that research by paying for projects that aid production.

"We give indusry 40,000 hours of help a year," said Jean-Louis Vaterkowski, the school's director. Some of its students serve internships at Stanley, gaining experience as they help to assemble machinery.

Flexible manufacturing is well suited for producing small quantities of different-model products, and Stanley is installing the computer-controlled "flexible" machinery — even designing some in-house — to make its steel tape measures.

The tapes come in various lengths, and the goal is to make the dozen or so different models on the same assembly line. So far, Stanley can produce, say, 10,000 tapes that are five meters long and then reprogram the machinery for a run of eight- or 10-meter tapes. Other models still require more hand assembly.

In some ways, automation is reducing Stanley's role as a lifeline for Besançon's unemployed, who represent about 7.5 percent of the work force. It has allowed Stanley to reduce its payroll to 520 people, from 750 in 1979. Labor now is less than 10 percent of total production cost, giving workers little leverage to push for wage increases.

Marcel Truche, 40, the intense chief of operations in Besançon, tries to spend an hour each day on the factory floor, greeting workers warmly and listening to complaints and suggestions.

He considers this important for efficiency, but he never mentions wages or job

See STANLEY, Page 9

U.S. Pledges Aid To Mexico After Debt Agreement

Compiled by Our Staff From Dispatches

WASHINGTON — The United States, welcoming the debt-reduction agreement between Mexico and its creditor banks, has pledged $2 billion to help tide the country over until the accord takes effect.

The U.S. Treasury secretary, Nicholas F. Brady, said the agreement represented "a major step forward in the implementation of the strengthened debt strategy." On March 10, Mr. Brady announced a new debt strategy aimed at debt reduction, which has become known as the Brady plan.

President Carlos Salinas de Gortari of Mexico, in an address televised Sunday night, said, "The resources that were being sent outside the country can now be channeled into investment, growth and creating jobs."

Under the debt-reduction plan, agreed to Sunday night in Washington, Mexico will increase debt-service payments to banks after seven years if its economy shows certain improvements, the Finance Ministry said in Mexico City.

The country would increase the yield on debt-reduction instruments, in limited form, should oil income exceed a given level, from July 1996, the ministry said. Mexico's 15-bank advisory committee had earlier insisted on step-up and recapture clauses to increase interest and principal payments in the event of an economic recovery.

Mexico had baulked at these clauses, delaying agreement on a debt restructuring giving it a 35 percent reduction on its $54 billion medium- and long-term bank debt.

The Finance Ministry did not stipulate the amount of enhancement that might apply, nor the level of oil income at which the mechanism would be triggered. Mexico held out for a much higher oil price than the banks had sought, according to banking sources.

The ministry confirmed that the accord has three options for banks: the first involves swapping their loans for 30-year bonds at a 35 percent discount; the second, a fixed interest rate of 6.25 percent on 30-year bonds issued at the face value of the loans; and a third for new lending over four years equivalent to 25 percent above each bank's existing exposure.

As a part of reducing the value of their outstanding loans, the banks agreed to provide Mexico with $12 billion in savings on its overall debt in the next four years. This concession means that the debt, which would have risen to around $65 billion in that time, will remain at its current level.

The $12 billion in savings includes roughly $3 billion in fresh loans, according to a U.S. Treasury official in Washington.

The Mexican Finance Ministry said that while Mexico would pay more if the economy improves, it would likewise receive more loans if oil prices fall below a reference level, which it did not state.

(Reuters, NYT, AP, WP)

Don Hogan Charles/The New York Times

George Ball, the Prudential-Bache chairman, is focusing on the firm's retail operations.

Prudential Goes for Brokers

By Kurt Eichenwald

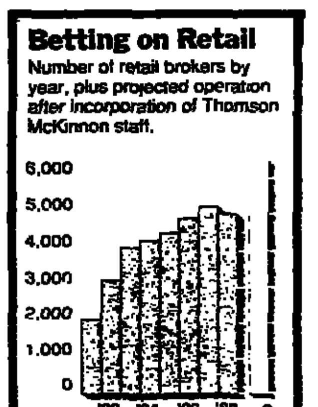
New York Times Service

NEW YORK — With an agreement this month to acquire most of Thomson McKinnon Inc., George L. Ball has embarked on building up the retail brokerage arm of Prudential-Bache Securities Inc. at a time when much of the U.S. financial-services industry is cutting back on such operations.

Although the decision to expand brokerage activities for small investors runs against the current view on Wall Street, it reinforces the business for which Prudential-Bache is best known. It also takes the spotlight off the firm's unsuccessful efforts to crack the ranks of Wall Street's leading investment banks.

Mr. Ball, the Prudential-Bache chairman, is supported by the firm's parent company, Prudential Insurance Co. of America. But the results of this latest strategic move and a recent program to reorganize the firm's investment-banking activities, are expected to have a bearing on the 50-year-old executive's reputation as a corporate tactician.

"It certainly appears that this is the last shot that George Ball has to prove he can run his own full-service securities firm," said Perrin Long, industry analyst with Lipper Analytical Services.



Mr. Ball conceded the deal announced July 17 to acquire Thomson McKinnon's accounts and 158 retail offices might prove to be "ill-considered." But, he hastened to add, "I don't think so."

The deal will add 1,500 brokers to Prudential-Bache's domestic force, giving it 6,500. That is close behind third-ranked Dean Witter Reynolds Inc. but well back of Merrill Lynch & Co. and Shearson Lehman Hutton Inc., the leading stock retailers.

Thomson had been crippled by the market collapse of October 1987, and several other firms invited to bid for the century-old brokerage declined to do so.

Thomson's sales per broker had been among the lowest in the industry and there is no guaran-

See PRUDENTIAL, Page 10

Honeywell To Raise Dividend

4,000 Layoffs Set Worldwide

The Associated Press

MINNEAPOLIS — Honeywell Inc., a subject of takeover speculation for the past two weeks, Monday said it would raise dividends, cut 4,000 jobs and curtail its weapons business as part of a restructuring.

The company said it also planned to repurchase up to 10 million shares of common stock on the open market and sell a substantial portion of its 50 percent stake in Yamatake-Honeywell, a Japanese controls maker. Analysts have valued that holding at nearly $1 billion.

The plan will result in a 65 cent increase in the Honeywell's fourth-quarter dividend, to $2.75 a share, and could include a special cash dividend, said Chairman James J. Renier.

Honeywell stock surged $3.875 a share, to $89.375, in Monday trading on the New York Stock Exchange.

Honeywell said the moves were meant to enhance its stock value and help it concentrate on its core controls business.

The 4,000 jobs will be reduced worldwide over the next 18 months. Included are 300 corporate staff cuts already announced. Honeywell employs about 78,000 worldwide. Many of the job cuts will be made through attrition, but some layoffs will be necessary.

Mr. Renier said he expected the restructuring to improve operating profit by about $150 million over the next 18 months.

The takeover rumors began after the company announced that it lost $435 million in 1988.

Honeywell's second-quarter profit jumped to $74.8 million, or $1.73 a share, from $31.6 million, or 75 cents a share, in 1988.

Honeywell's stock price has risen sharply this month, following published reports that General Electric Co. was considering acquiring the company. It ended June at $73.375 a share.

Honeywell is the leading manufacturer of torpedoes for the U.S. Navy and also supplies a variety of ammunition to the U.S. Army.

The reduction will proceed in a responsible manner so that national security interests will not be affected, Mr. Renier said.

The weapons business accounts for about 20 percent of Honeywell's revenue.

Time-Warner Merger Gets Court Approval

Compiled by Our Staff From Dispatches

WILMINGTON, Delaware — The Delaware Supreme Court dealt a fatal blow to Paramount Communications Inc.'s $12.2 billion hostile bid for Time Inc. on Monday, upholding a lower court ruling allowing Time to proceed with a $14 billion tender offer for Warner Communications Inc.

The ruling by the three-judge panel paves the way for Time to buy Warner, creating the world's largest communications concern, Time Warner Inc.

Hours after the court quashed its attempt to block the merger, Paramount announced that it was withdrawing the $200-a-share bid for Time that it began seven weeks earlier.

The court's denial of Paramount's preliminary injunction against Time's takeover allows the publisher to consummate its $70-a-share offer for 100 million Warner shares, or about 51 percent of the total outstanding, and provide a combination of cash and securities for the remaining shares. Time's tender offer was to expire Monday.

Paramount and some of Time's shareholders had asked the state's Supreme Court to overturn a ruling by Chancery Court Judge William T. Allen. The judge said the proposed Time-Warner deal, announced in March, was the result of long-term business planning and that Paramount and Time's shareholders could not interfere.

Michael Klein, attorney for the group of Time shareholders that included the financier Robert M. Bass, said the decision bodes ill for shareholder rights. "If a corporation can simply assert it has a long-term strategy and is allowed to ignore offers — no matter how high — there will be very few bidders who will be willing to offer a premium," Mr. Klein said.

He said the impact of the decision on corporate takeovers will depend on how narrowly the justices write their opinion, which could take up to nine months to be issued.

Mr. Klein said that because the court's ruling was unanimous, the decision would not be appealed to the full state Supreme Court.

The Supreme Court had been widely expected to uphold Judge Allen's ruling. Investors sold off Time stock as the hearing proceeded. The shares were down $1, to $137.50, at the close on the New York Stock Exchange. Warner rose $1.625, to $67.125, while Paramount was up $1.75, to $59.25.

(AP, UPI)

Analysts Foresee No Plunge in Yen

Reuters

TOKYO — The yen is unlikely to weaken significantly against the dollar despite Japan's deepening political uncertainty, currency analysts and dealers said Monday.

Prime Minister Sosuke Uno said Monday that he plans to quit after the ruling Liberal Democratic Party suffered its worst-ever defeat in a national election on Sunday.

Despite this upset, analysts said the yen is likely to remain suspended in a 138- to 145-yen range against the dollar for now, as the focus shifts back and forth between Japan's political situation and expectations that U.S. interest rates will fall.

Yen weakness was partially discounted before the election. The Japanese currency fell last week, boosting the dollar to 142.225 yen from 140.550 in Tokyo.

Shortly after Mr. Uno said he would resign, the dollar fell to a morning low of 141.95 yen in Tokyo, before recovering to 142.00 at midday after sales of the U.S. unit by Japanese exporters and life insurers triggered support. The dollar closed in Tokyo at 143.25.

"There's no drastic reason to sell the yen," said Masaki Sawa, deputy general manager at Kyowa Bank. "The Japanese economy is still performing well."

Yasuji Yamanaka, assistant vice president at Bank of America in Tokyo, said, "People still don't like taking long dollar positions. Technical indicators for the longer term show that the dollar is weak."

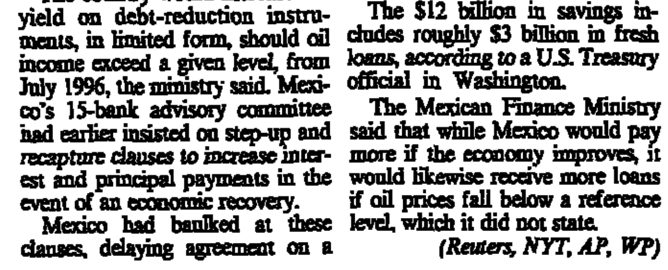
Mr. Uno, who was already under fire for allegations that he paid a geisha for sex, announced his resignation less than two months after taking power when it became apparent that the LDP would win fewer than the 54 seats it needed to retain its 34-year majority in parliament's upper house.

The LDP won only 35 of 126 seats available, against 45 by the Japan Socialist Party, the main opposition party.

Support for the LDP has crumbled over the implementation of a sales tax in April and the Recruit stock scandal that forced Noboru Takeshita, Mr. Uno's predecessor, to resign in June.

Questions that could affect the yen include who will succeed Mr.

See YEN, Page 12



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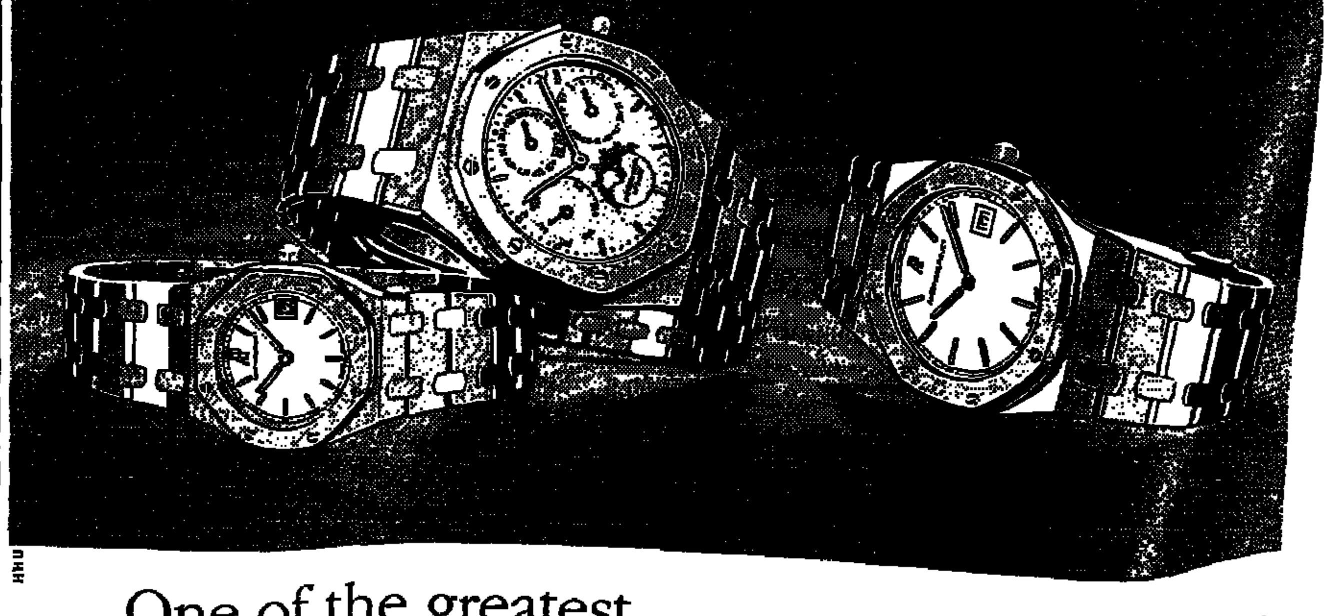

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Monday's NYSE Closing

Via The Associated Press

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
WarnC	47446	67¾	65¾	67⅛	+1⅜
McDnl s	39618	31⅝	29	29	−2½
SmkBck	30886	60⅝	60	60⅝	+ ⅛
Marion	29342	35⅝	35⅛	35⅛	+ ⅛
Ryder	20669	29⅜	27⅞	28¾	+ ¾
Exxon	18777	46½	45	45⅝	−1⅛
Honwell	18651	90¼	88¼	89¼	+3⅞
Time	17562	143	137	137½	−1½
AT&T	15345	37⅞	37⅛	37⅝	+ ¼
Unisys	14343	23⅜	21	21½	−1⅜
Gillete	13409	45⅛	44⅛	44⅞	+1¼
BnkAm	13250	30	28¾	29⅞	+ ¾
EKodak	12661	48¾	47¾	47¾	− 1
Amrtch s	11713	57⅝	57	57¼	− ⅜
GenEl	11542	56⅞	56	56⅝	− ½

Market Sales

NYSE 4 p.m. volume	136,260,000
NYSE prev. cons. close	206,968,640
Amex 4 p.m. volume	11,480,000
Amex prev. cons. close	14,600,000
NASDAQ 4 p.m. volume	108,064,600
NASDAQ prev. 4 p.m. volume	144,762,900
NYSE volume up	44,365,800
NYSE volume down	71,526,300
Amex volume up	2,588,200
Amex volume down	5,343,600
NASDAQ volume up	28,705,536
NASDAQ volume down	47,632,383

NYSE Index

	High	Low	Close	Ch'ge
Composite	186.35	185.98	186.03	— 1.12
Industrials	224.25	223.41	223.41	— 1.61
Transp.	181.67	180.55	181.22	+ 0.46
Utilities	89.98	89.75	89.84	— 0.44
Finance	158.31	157.90	158.17	— 0.29

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	92.75	—0.18
Utilities	93.25	—0.19
Industrials	92.25	—0.16

NYSE Diary

	Close	Prev.
Advanced	535	723
Declined	944	712
Unchanged	502	526
Total Issues	1981	1961
New Highs	92	82
New Lows	23	25

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
July 21	411,657	528,599	3,683
July 20	419,384	643,443	18,914
July 19	505,575	602,096	10,093
July 18	299,117	617,002	106,898
July 17	365,388	570,417	19,020

*Included in the sales figures

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2594.08	2607.55	2574.36	2584.98	— 22.38
Trans	1227.68	1250.32	1222.19	1240.30	+ 8.90
Util	216.42	217.24	214.91	215.92	— 1.13
Comp	1000.89	1009.96	994.33	1001.78	— 3.28

AMEX Diary

	Close	Prev.
Advanced	203	275
Declined	347	291
Unchanged	269	283
Total Issues	819	849
New Highs	27	38
New Lows	10	8

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	385.31	382.25	382.38	— 2.93
Transp.	280.15	276.65	279.05	+ 1.63
Utilities	136.86	135.89	135.97	— 0.87
Finance	31.85	31.64	31.75	— 0.06
SP 500	335.90	333.44	333.67	— 2.23
SP 100	313.46	310.33	310.49	— 2.97

NASDAQ Index

	Close	Ch'ge	Week Ago	Month Ago
Composite	445.99	— 3.31	448.88	442.29
Industrials	434.57	— 3.15	437.49	434.08
Finance	535.20	— 1.48	524.85	519.79
Insurance	511.80	— 2.96	513.24	504.42
Utilities	695.34	— 12.5	723.27	721.38
Banks	468.66	— 1.31	474.18	475.72
Transp.	446.37	— 2.08	440.89	429.47

NASDAQ Diary

	Close	Prev.
Advanced	739	1,001
Declined	1,148	977
Unchanged	2,526	2,424
Total Issues	4,413	4,402

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
BAT	10811	14⅛	14⅛	14⅛	— ⅛
ICH	3811	6⅛	5⅞	5⅞	— ⅛
WangB	4984	6½	6¼	6⅜	
Fruitl.	4218	12⅞	12⅛	12½	— ⅜
TenAir	3023	17⅛	16¾	17	
DWG	2590	13⅛	11⅞	12⅞	+ ⅛
TubMex	2481	6⅛	5⅞	6	+ ⅛
FAusPr	2355	9⅛	8⅞	8⅞	— ⅛
Lionel	2347	8⅛	7⅞	8	— ⅛
FurVit	2303	3¼	3⅛	3⅛	
HouOT	1919	1¼	[illegible]	1⅛	
EchoBy	1863	15⅞	15⅝	15⅝	
Hasbro	1841	21	20¾	20½	— ⅛
Michsty	1363	9⅛	8⅞	9⅛	— ⅛
ENSCO	1306	3⅛	3⅛	3⅛	

AMEX Stock Index

High	Low	Close	Ch'ge
371.28	368.38	369.82	—1.46

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Slides in Light Trading

United Press International

NEW YORK — Stock prices closed sharply lower Monday in light trading, pressured from the opening bell by profit taking that pulled the Dow Jones industrial average below the 2,600 level after a rally last week.

The Dow, which jumped 31.87 points on Friday and nearly 53 last week, fell 22.38, to close at 2,584.98. On Friday, the Dow closed above 2,600 for the first time since the October 1987 collapse.

Broader market averages also retreated. The New York Stock Exchange index fell 1.12, to 186.03, and Standard & Poor's 500-stock index dropped 2.23, to 333.67. The price of an average share lost 22 cents.

Declines topped advances by a 9-5 ratio as volume slowed to 136.26 million shares from 174.88 million traded on Friday.

"The program trading late Friday was substantial and everyone knew coming into this week that the gains were suspect," said Hugh Johnson, head of the investment policy committee at First Albany Corp.

Mr. Johnson said the reason investors were skeptical of the market's sharp rise Friday was that it was linked to computer-program-driven buying triggered at the last minute by the expiration of July options on stocks and stock indexes.

In addition, Mr. Johnson said, "Last week was filled with good news. The case for a declining rate of inflation improved with the Consumer Price Index report. And the Fed appears to be responding to those numbers with a shift from inflation concerns to the economic numbers."

The government Wednesday reported that the June Consumer Price Index rose by only 0.2 percent. The increase was the smallest since February 1988.

"The advance didn't have the breadth one would want to feel comfortable," Mr. Johnson said. "And the suspicions have now surfaced with a lot of folks selling stocks and taking profits in some areas where things are overvalued."

McDonald's was the most active issue, down 2½ to 29.

Warner Communications followed, up 1⅜ to 67⅛. The Delaware Supreme Court Monday denied Paramount Communications Inc. a preliminary injunction against Time Inc.'s planned $14 billion takeover of Warner, clearing the way for completion of the deal. Time fell 1 to 137½. Paramount Communications gained 1¾ to 59¼.

SmithKline Beckman was the third-most-active issue, rising ⅛ to 60⅝. It said its second-quarter earnings rose 20 percent.

AT&T was up ¼ to 37⅝. IBM was down ⅜ to 113½. Among the other blue chips, General Electric was down ½ to 56⅝, Merck was down 1 to 74⅛, Eastman Kodak was off 1 to 47¾, and Sears was up ¼ to 45¾.

Prices fell in moderate trading on the American Stock Exchange.

The Amex index fell 1.46, to close at 369.82. Declines led advances by an 8-5 ratio. The price of an average share lost 5 cents. Volume fell to 11.48 million shares from 14.60 million traded on Friday.

BAT Industries led the Amex actives, down ¼ to 14⅛.

The National Association of Securities Dealers composite index fell 3.30, to close at 445.99.

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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(Continued on next left-hand page)

BUSINESS ROUNDUP

Oil Spill Savages Exxon's Earnings

Compiled by Our Staff From Dispatches

NEW YORK — Exxon Corp.'s second-quarter profit plunged by more than $1 billion, the company reported Monday, largely due to an $850 million provision for costs associated with cleaning up after the Alaska oil spill.

Exxon, the biggest U.S. oil concern, said its net income fell 86.7 percent, to $160 million, or 13 cents a share, from $1.2 billion, or 90 cents a share, in the comparable 1988 quarter.

Revenue rose 9.2 percent, to $23.61 billion from $21.63 billion.

Exxon's stock dropped $1 on the New York Stock Exchange, to trade at $45.75, after the results were announced.

An Exxon spokesman, Bill Smith, said the drop in profit was the result of a special provision allowing for an estimated $850 million, or 67 cents a share, in cleanup costs for the March 24 spill of the Exxon Valdez oil tanker in Alaska's Prince William Sound.

Without the provision, the company's second-quarter earnings would have been $1.01 billion, or 80 cents a share.

Michael Young of the Smith Barney Harris Upham & Co. brokerage in New York said he had changed his rating of Exxon stock Monday morning from a "hold" to an "avoid." He said he had anticipated the sharp earnings drop since last week because congressional testimony indicated a writeoff of this magnitude.

Exxon has already spent about $600 million on cleaning up the spill, the worst in U.S. history, Mr. Smith said. He said the $850 million was only a projected cost, including estimated expenses and estimated insurance recoveries, and cautioned against drawing the conclusion that there was only $250 million left to be spent in the cleanup.

Exxon has previously disclosed that it had an estimated $400 million *in spill insurance.*

Separately, Amoco Corp. reported a drop in net profit for the second quarter, to $497 million from $667 million in the same 1988 quarter. However, this was after including a one-time special charge of $36 million this year and special gains of $136 million last year.

Excluding those items, profit was little changed. Revenue rose to $6.8 billion in the latest quarter from $6.1 billion last year, Amoco said.

Amoco said operating earnings were flat because lower margins for its chemical products, and higher interest expenses from its acquisition of Dome Petroleum Ltd., offset gains from production and downstream operations.

Another major U.S. oil company, Atlantic Richfield Co., reported a 16.8 percent rise in net earnings for the second quarter, to $467 million from $400 million in the same 1988 quarter. For the six months to June 30, earnings rose to $1.17 billion from $801 million in the first half of 1988, mainly as the result of a special gain.

Arco, as the company is known, posted the profit on revenue that fell to $4.33 billion in the quarter from $4.58 billion a year earlier.

The first-half result included a gain of $634 million on the sale of Arco's majority interest in Lyondell Petrochemical Co. The gain was partially offset by various charges, Arco said. *(UPI, AP, Reuters)*

Former Natwest Officer Resigns Barclays Post

Reuters

LONDON — Nicholas Wells, a former director of the County NatWest Securities unit of the National Westminster Bank PLC, resigned Monday from Barclays de Zoete Wedd after his name came up in a government report on alleged irregularities in a rights issue on behalf of Blue Arrow PLC.

Barclays said the Blue Arrow report made the move inevitable.

Kodak to Take Big Charge for Restructuring

Reuters

ROCHESTER, New York — Eastman Kodak Co. said Monday it will take a charge of about $225 million, or 70 cents a share, against second-quarter *results for an internal* restructuring and associated writeoffs.

Kodak said it plans to move out of nonprofitable businesses, and part of the charge will represent employee-separation payments. The company said that the Eastman Chemicals division is performing very well and Sterling Drug Inc. is essentially on plan, but earnings from other operations are falling short of expectations despite volume gains.

Many overseas locations and the "artificially high" value of the U.S. dollar had a negative effect, the company said. In addition to the effects of the exchange rate, there was an absence of expected manufacturing efficiencies, the company said.

In 1987, Kodak took a charge of about $1 a share on 1986 earnings in a program to reduce the work force by 10 percent, attributing the higher-than-expected *amount to a* "larger-than-anticipated departure of higher-salaried people." Analysts later praised the move.

Kodak will report second-quarter results Aug. 1. The company earned $390 million, or $1.20 per share, in last year's second quarter.

Dutch Biochem Firm Cancels Friendly Bid

Reuters

AMSTERDAM — Gist-Brocades NV called off Monday its planned friendly bid for a fellow Dutch biochemicals concern, ACF Holding NV, after a boardroom dispute. Gist also said its chairman would resign.

With the collapse of the takeover agreement, worth 242 million guilders ($113.2 million), the stock of both companies was to remain suspended from trading at least through Monday, and brokers said investors face a sharp drop in ACF's price when it resumes.

Willem de Witte, chief spokesman for Gist-Brocades, said the chairman, Gijs Bresser, left the company on Friday. There was "a widespread feeling of despondency among the employees" about the resignation, he said.

The three-member managerial board of Gist had approved the bid intentions but subsequent negotiations, conducted by Mr. Bresser, were not endorsed by the board, *Mr. de Witte said.*

ACF, terming the collapse an "unpleasant surprise," said it understood that the talks had ended because of the boardroom dispute at Gist and not because of problems with the merger plan.

"Gist-Brocades stated to us the withdrawal was not due to the merits of the planned merger, but due to the managerial crisis at Gist-Brocades," an ACF statement said.

On July 10, Gist-Brocades and ACF jointly announced that Gist would bid one share, a share warrant and 20 guilders in cash for each ACF share. The two companies said the merger was mainly aimed at strengthening their joint venture, Brocacef NV, a pharmaceuticals wholesaler.

Some analysts had welcomed the deal as enhancing the effectiveness of Brocacef, but many said they saw no advantages in it.

Gist-Brocades said only that it had made the decision to drop the bid in conjunction with the supervisory board. In a statement to the *Amsterdam Stock Exchange on* Monday morning, the company said there had been intensive consultations with ACF during the weekend to find another way toward the planned cooperation.

"Mr. Bresser conducted the negotiations," Mr. de Witte said, "but when he returned with a result, the other board members rejected the bid."

After the boardroom dispute on Friday, Mr. Bresser left the firm and other board members, Piet Strijkert and Herman Scheffer, with the supervisory board, negotiated with ACF over the weekend about what to do with the two companies' stakes in Brocacef.

"During these consultations it appeared there was no other basis for a solution," the Gist statement said.

The stock exchange suspended trading in both companies. Gist-Brocades finished Friday at 33.20 guilders, while ACF stood at 59.00.

The last time a Dutch firm abandoned a bid was in January 1987, when KLM Royal Dutch Airlines dropped *its offer for the U.S.-based* hotel chain, Hilton Hotels Corp.

Reuters Posts 32% Advance In Earnings for First Half

Reuters

LONDON — Reuters Holdings PLC, the British-based international news and information organization, reported Monday a rise of 32.1 percent in its pretax profit for the first six months of 1989, to *£135.9 million ($220.4 million).*

The result, which compared with £102.9 million in the first half of 1988, came on a 16.3 percent rise in revenue, to £548.3 million from £471.4 million last year.

Commenting on the figures, Reuters's managing director and chief executive, Glen Renfrew, said in a statement, "Core products maintained their strong progress despite continued problems in the financial markets. Substantial improvements were achieved in operating and profit margins."

Operating profit before interest rose to £126.2 million from £97.8 million in the first half of 1988.

Cancellations of services producing recurring revenue moderated somewhat in the last few months, Mr. Renfrew said, and monthly net new orders were a little better than the 1988 average. "Orders for outright sales of major trading-room systems also improved in the first half of this year," he added.

Mr. Renfrew said the outlook for the rest of 1989 was good.

Separately, *Reuters said that it* had reorganized its trading-room systems product group to concentrate development in Chicago. Development was formerly split between London and Chicago.

The move involved the establishment of regional groups to support local markets, creation of a central planning function and introduction of global marketing management.

Profit Slumps For Overseas Banks in Japan

Reuters

TOKYO — Current profit for foreign banks in Japan slid 57.8 percent in the latest financial year, industry sources said Monday.

Current profit among 83 resident foreign banks in Japan amounted to 12.8 billion yen ($90.3 million) in the year ended March 31, down from 30.3 billion for 81 banks the previous year, foreign banking sources said. They said 34 foreign banks were unprofitable during the period, against 21 banks the previous year. Current profit is similar to pretax profit.

The foreign banks had 164.6 billion yen in aggregate business income against 162.8 billion a year earlier, the sources said.

The steep decline in profit was partly due to weak demand for loans, the sources said. They said foreign banks had 6.4 trillion yen of loans outstanding at the end of the latest period against 7.0 trillion a year earlier.

A narrowing spread of interest rates between the domestic short-term money market and Euroyen market after the Bank of Japan's money market reforms last November made it harder for foreign banks to take profits. In addition, aggressive fund-raising by large Japanese banks in the short-term money market hurt foreign banks' efforts, money traders said.

STANLEY: *Minimally American*

(Continued from first finance page)

security. "I have refused to speak of these subjects," he said. "They know that."

Whatever the impact on labor, the manufacturing expertise building up in Besançon is being exported to Stanley engineers in the United States, and such cross-fertilization is considered by economists to be one of the great benefits of globalization — a benefit that helps Stanley capture inexpensive technologies.

But concentrating production in Besançon (besides measuring tapes, saws and carpenter's levels are made *here) and in Sheffield* (wood planes, screwdrivers, drills and numerous cutting tools) has been an obstacle to sales — one that could endure into the 21st century.

The problem is that West Germans, French, English, Italians and Spaniards differ in their tastes for consumer goods, despite all the talk of a unified European marketplace by 1992.

They might buy the same model cars, said Yves Rouyer, Stanley's vice president for European tool sales. But for most other items, including tools, tastes are provincial.

That became painfully evident when Stanley closed its West German factory, *which made tools with* German labels. Sales fell sharply in West Germany, where carpenters, plumbers and do-it-yourselfers prefer either national brands or cheap imports from Asia, and they are just beginning to recover, with products made at Sheffield or Besançon.

"Sales would increase at a faster pace if we had a presence in Germany," said Geoffrey L. Baldwin, president *of Stanley's European tool di*vision. He has been looking for a West German tool company to buy, but is running into an obstacle imposed by American headquarters.

Mr. Ayers wants the European operation to return a profit of more than 25 cents a year, on average, for each dollar invested in factories and machinery. That's hard in West Germany, with the highest labor costs *in Europe*, and Mr. Ayers's belief is that the inability to achieve high returns "may preclude investment in some foreign markets."

Mr. Baldwin accepts the restriction. "I work within an American culture that tends to seek short-term profits," he said.

Meantime, he and Mr. Rouyer, the marketing vice president, pursue a tricky strategy: trying to get all of Europe to buy tools made in Besançon and Sheffield, while giving the impression that Stanley somehow produces these tools in every country.

A new distribution center in Rotterdam is dedicated to this obfuscation. It receives the tools from Besançon and Sheffield, then sends them in small quantities to local hardware stores and wholesalers in, say, Norway or West Germany.

The computer in *Rotterdam* even bills the customers in kroner or Deutsche marks, with instructions in Norwegian or German to mail the checks to local addresses. If a problem arises, a local Norwegian or West German employed by Stanley pays a call.

In Besançon, the name on the factory's letterhead is Stanley-Mabo — Mabo being the French company that Stanley bought to obtain the factory. A line of handsaws purchased from Peugeot still carries the Peugeot name, for now.

One problem is that Europeans differ in their tastes for consumer goods, despite all the talk of a unified market by 1992.

There are other problems, too. A truly global company, Mr. Baldwin said, is composed of largely autonomous divisions in the world's major markets: the United States, Europe and East Asia. *He joined Stanley in* 1981, at age 40, because it seemed to offer an opportunity for an experienced engineer to get into the top management of a company starting to upgrade its European operations.

By Mr. Baldwin's autonomy standard, however, Stanley is only partway along the road to global status.

While his plans usually are approved — including proposals to acquire European companies — he consults almost daily on many topics, even telephoning the home office for permission to release information to a newspaper reporter.

Indeed, the best salaries go to Americans and so do the 10 or so highest executive jobs. This tradition probably will change as globalization proceeds, Mr. Ayers said, but for the time being Mr. Baldwin calls attention to the gap.

He noted, for example, that with the top Stanley job in Europe, he earns $100,000 a year in base salary, plus $60,000 in bonuses — sums below the incomes of Stanley executives with similar responsibilities in the United States.

His base salary is $20,000 below that of Robert E. DePatie, who works for Mr. Baldwin.

With all this, Mr. Ayers said that autonomy is the goal.

"If I were to dictate technology or how to sell in Europe, we would go backward," he said.

Mr. Baldwin, who makes his headquarters near London, applauds such statements and so does Mr. Truche, whose base salary is $80,000 — also below the pay of his American counterparts.

"We gain essential expertise developing our own technology," said Mr. Truche, who trained as an engineer. "No one can maintain the equipment or make improvements in it as well as we can. Quality manufacturing isn't possible without a great deal of local control."

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AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 21st July, 1989.

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AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, July 21, 1989.

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PRUDENTIAL: *Firm Gambles by Expanding Brokerage Operations*

(Continued from first finance page)
tee that Prudential-Bache will be able to keep its best performers.

Prudential-Bache agreed to pay $60 million for Thomson McKinnon's retail offices and customer accounts and up to $60 million in performance bonuses to the firm's brokers over the next three years.

But Mr. Ball, who made his name as an executive by building up E.F. Hutton Group Inc.'s retail business before moving to Prudential-Bache in 1982, said the deal was neither as aggressive nor as risky as it might appear.

While it gives Prudential-Bache added resources to take advantage of any upturn in demand for stocks, it should also help the company weather a possible continuation of the hard times on Wall Street, he said.

His reasoning: By adding Thomson's brokers, Prudential-Bache achieves a better match between its sales force and the capacity of its back-office operations, which have not been processing enough business to operate efficiently since the 1987 slump drove many investors out of the market.

Moreover, Prudential-Bache believes that with its backing, the productivity of Thomson's brokers will improve. Prudential-Bache estimates that its force ranks near the top in sales per broker.

"This is probably one of the first times that the firm's strategic thinking has been anticipatory rather than reactive," Mr. Ball said.

Most securities firms responded to the retail sales slump by making large personnel cuts. The belt tightening came as the largest brokerage houses posted losses in their retail units in 1988 for the second straight year, according to the Securities Industry Association.

Moreover, key measures of retail performance also showed a downturn. Commissions for brokers fell 27 percent, while mutual-fund revenue plunged 52 percent, the securities association said. Brokerage revenue dropped 7 percent.

'This is probably one of the first times that the firm's strategic thinking has been anticipatory rather than reactive.'

George L. Ball, chairman of Prudential-Bache Securities.

Skepticism about Prudential-Bache's approach is partly based on pessimism about the prospects for retail brokerage sales. It is heightened by the repeated failure of the firm's tactical moves to meet Mr. Ball's targets.

Recently, most of these moves have been part of a campaign to build Prudential-Bache into an investment bank that clients would mention in the same breath as firms like Merrill Lynch, Morgan Stanley & Co. and Salomon Brothers Inc.

Project '89, as the campaign was called, was described by Prudential-Bache executives as an effort to elbow into the ranks of the top six investment-banking firms. This group, known as the "bulge bracket," garners the majority of the most lucrative deals.

Talk about that lofty ambition is gone for now.

Officials of the firm call Project '89 a success because Prudential-Bache has managed to gain a presence in businesses in which it had barely participated years ago, such as issuance of high-yield bonds, mergers and acquisitions, and mortgage finance.

But in many capital-markets activities, its operations are not among the first tier of Wall Street firms.

For example, in debt underwritings, the firm ranked ninth in the industry for the first half of 1989, capturing 4.6 percent of the market, according to Securities Data Co.

That was an improvement from the first half of 1986, when the firm had 1.6 percent, still ranking ninth, but it is probably not enough to threaten larger rivals.

In mergers and acquisitions, one of the most lucrative businesses in finance, Prudential-Bache has managed to lift itself from 35th place in the first half of 1986 to only 18th in the first six months of this year.

Perhaps the most sobering experience has come in interest-rate swaps, in which companies trade interest-payment obligations to achieve a desired mix of fixed- and variable-rate loans.

When Project '89 began, executives said privately that they believed arranging such deals would attract a new group of clients for a variety of services and might do for Prudential-Bache what junk bonds did for Drexel Burnham Lambert Inc.

But margins in the business contracted, and the deals drew little other business.

"We had hoped it would be a highly profitable, huge business," one executive said. "Instead, it's a profitable small business."

At this point, Mr. Ball said, while Prudential is not in the bulge bracket of top firms, it is "the best of the rest."

The performance of the firm seems to satisfy Prudential Insurance, which acquired it in 1981, and a top executive said the parent company was basically uninterested in the rankings that most of Wall Street considers so important.

"Where Prudential-Bache stands regarding the bulge bracket doesn't weigh heavily on my mind," said Garnett L. Keith, vice chairman of the parent. "From Prudential's point of view, we want a profitable business. If we have that, where we stand in the rankings doesn't really matter to us."

Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

U.S. Futures

Via The Associated Press

July 24

Grains

WHEAT (CBT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
4.29	3.50½	Sep	3.93	3.94¾	3.88	3.88½	—.07¼
4.40½	3.78	Dec	4.07	4.07¾	4.00½	4.01½	—.06¼
4.42	3.97¾	Mar	4.10½	4.10½	4.04½	4.04½	—.07
4.32	3.81	May	3.90	3.91	3.86	3.86	—.06
3.85	3.50½	Jul	3.58	3.58	3.52	3.52	—.07
3.62	3.62	Sep				3.56	—.06

Est. Sales Prev. Sales 10,127
Prev. Day Open Int. 66,246 up 99

CORN (CBT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
3.17¾	2.34½	Sep	2.37	2.38	2.29½	2.30¼	—.08¼
2.95	2.30¾	Dec	2.34	2.35½	2.28	2.28½	—.09¼
2.86½	2.38½	Mar	2.43	2.44	2.35½	2.36½	—.08¼
2.89¾	2.43½	May	2.45	2.46	2.40	2.40¾	—.08¼
2.85	2.44½	Jul	2.45½	2.46½	2.41	2.41	—.08
2.71	2.34	Sep	2.35	2.35	2.34	2.35	—.06
2.63½	2.31½	Dec	2.33	2.33½	2.29½	2.30¼	—.06¼

Est. Sales Prev. Sales 21,191
Prev. Day Open Int. 140,071 up 909

SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
9.51	6.60¼	Aug	6.69	6.71	6.63	6.61¾	—.12
8.35	6.27	Sep	6.26½	6.26½	6.14½	6.15¼	—.22½
7.93	6.14	Nov	6.18½	6.18½	6.02	6.02½	—.22½
7.67	6.24	Jan	6.24	6.24	6.10	6.10½	—.21¼
7.74	6.32½	Mar	6.25	6.27	6.20	6.21	—.20
7.78	6.38	May	6.29½	6.31	6.25	6.25	—.20
7.31	6.41	Jul	6.31	6.35	6.27	6.27	—.21½
7.05	6.48	Aug	6.13	6.13	6.13	6.13	—.20
6.60	6.30	Sep				6.10	—.14
6.60	5.94	Nov	5.99	5.99	5.86	5.86	—.14

Est. Sales Prev. Sales 20,967
Prev. Day Open Int. 82,222 up 1,310

SOYBEAN MEAL (CBT) 100 tons- dollars per ton

Season High	Season Low		Open	High	Low	Close	Chg.
298.00	195.80	Aug	206.50	207.30	204.00	204.20	—3.50
286.00	189.50	Sep	197.50	197.50	192.50	193.50	—4.90
280.00	184.00	Oct	191.00	191.00	187.00	187.50	—4.70
260.00	183.00	Dec	186.00	187.00	183.80	184.10	—4.80
230.00	183.50	Jan	186.50	186.50	183.70	184.10	—4.40
249.20	183.00	Mar	184.00	185.50	183.70	184.00	—4.40
230.50	182.00	May	185.00	185.20	184.00	184.00	—4.50
208.00	183.00	Jul	184.50	184.50	184.00	184.00	—4.00

Est. Sales Prev. Sales 12,441
Prev. Day Open Int. 58,951 up 587

SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.

Season High	Season Low		Open	High	Low	Close	Chg.
32.05	19.15	Aug	19.25	19.25	19.07	19.11	—.32
29.50	19.30	Sep	19.55	19.55	19.25	19.27	—.33
28.80	19.45	Oct	19.75	19.75	19.46	19.58	—.37
28.05	19.95	Dec	20.12	20.15	19.92	19.93	—.37
25.45	20.25	Jan	20.25	20.25	20.05	20.07	—.35
25.85	20.48	Mar	20.60	20.63	20.46	20.46	—.39
26.05	20.85	May	20.95	20.95	20.85	20.87	—.35
25.80	21.25	Jul	21.15	21.25	21.11	21.11	—.14
22.90	21.40	Aug	21.32	21.32	21.15	21.15	—.33
21.70	21.45	Sep	21.44	21.44	21.20	21.20	—.35

Est. Sales Prev. Sales 12,856
Prev. Day Open Int. 70,894 up 92

Livestock

CATTLE (CME) 40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
73.80	65.00	Aug	72.65	73.00	72.30	72.60	—.07
74.33	66.30	Sep	74.00	74.00	73.90	73.90	—.10
75.67	68.25	Oct	75.45	76.10	75.40	75.75	+.22
74.65	62.00	Dec	74.52	75.10	74.25	74.32	—.20
73.60	69.80	Feb	73.00	73.65	72.95	72.97	—.15
74.40	70.80	Apr	74.15	74.75	74.10	74.15	—.15
73.10	69.75	Jun	73.00	73.25	72.75	72.90	—.20
71.75	69.50	Aug	71.35	71.35	71.30	71.25	—.05

Est. Sales 21,813 Prev. Sales 11,388
Prev. Day Open Int. 81,068 off 270

FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
84.25	75.65	Aug	83.80	84.35	83.70	82.90	+.05
83.60	75.50	Sep	83.15	83.80	83.00	83.30	+.18
83.60	75.90	Oct	82.85	83.40	82.80	83.17	+.32
83.95	76.60	Nov	83.45	83.80	83.25	83.45	+.32
83.75	77.30	Jan	83.50	83.55	83.15	83.57	+.20
82.50	77.40	Mar	82.50	82.72	82.30	82.30	+.10
81.85	78.90	Apr	82.00	82.13	82.00	82.10	+.55
80.50	78.75	May				80.80	+.35

Est. Sales 2,264 Prev. Sales 1,384
Prev. Day Open Int. 13,009 up 19

HOGS (CME) 30,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
51.00	42.25	Aug	45.55	46.15	45.50	45.85	+.13
47.00	38.55	Oct	39.55	40.10	39.50	39.82	
47.25	38.75	Dec	42.00	42.25	41.75	41.87	—.20
48.00	42.95	Feb	43.15	43.30	43.05	43.05	—.22
45.10	40.65	Apr	40.90	41.15	40.60	40.70	—.12
48.70	45.75	Jun	46.25	46.25	46.00	46.00	
48.95	46.35	Jul	46.40	46.80	46.40	46.80	—.07
45.55	45.50	Aug	45.40	45.40	45.40	45.62	

Est. Sales 5,106 Prev. Sales 3,908
Prev. Day Open Int. 24,397 off 440

Food

PORK BELLIES (CME) 40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
	28.22	Jul	29.80	30.35	28.70	28.92	—1.03
64.50	27.50	Aug	28.40	28.45	27.72	28.10	—.30
58.20	41.55	Feb	42.55	42.65	41.90	41.95	—.40
61.60	41.40	Mar	42.40	42.60	41.90	41.95	—.40
60.00	42.65	May	43.25	43.25	42.90	42.05	—.15
60.90	43.00	Jul	43.65	43.65	43.65	43.80	
68.90	41.55	Aug				41.95	—.40

Est. Sales 5,597 Prev. Sales 5,088
Prev. Day Open Int. 19,204 off 297

COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
152.90	85.80	Sep	85.75	86.00	84.75	84.85	—1.51
149.50	88.80	Dec	88.50	88.50	87.15	87.23	—1.75
146.00	91.75	Mar	92.20	92.30	90.25	90.37	—2.18
124.50	94.00	May	94.00	94.00	92.50	92.40	—2.10
132.25	96.50	Jul	95.25	95.75	94.30	93.75	—2.75
130.00	98.00	Sep	97.00	98.00	97.00	96.00	—2.50
104.00	101.50	Dec	101.00	101.00	99.75	99.00	—2.50

Est. Sales 3,450 Prev. Sales 5,366
Prev. Day Open Int. 28,160 up 895

SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
14.70	8.45	Oct	14.32	14.32	13.91	13.94	—.32
13.30	8.00	Jan				12.65	—.35
13.78	8.75	Mar	13.30	13.29	12.96	12.99	—.32
13.60	9.20	May	13.07	13.08	12.80	12.80	—.25
13.48	10.55	Jul	12.90	12.90	12.77	12.64	—.28
13.16	10.40	Oct				12.33	—.35

Est. Sales 18,693 Prev. Sales 15,813
Prev. Day Open Int. 185,664 off 1,931

COCOA (NYCSCE) 10 metric tons- $ per ton

Season High	Season Low		Open	High	Low	Close	Chg.
1850	1127	Sep	1290	1304	1265	1274	—25
1735	1133	Dec	1312	1320	1288	1293	—26
1535	1133	Mar	1326	1330	1300	1306	—28
1465	1138	May	1340	1342	1315	1315	—25
1380	1154	Jul	1348	1348	1340	1335	—22
1400	1180	Sep	1350	1350	1330	1350	—21
		Dec				1371	—21

Est. Sales Prev. Sales 3,979
Prev. Day Open Int. 48,464 off 952

ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
187.75	132.00	Sep	156.50	158.60	155.70	158.15	+1.45
179.50	129.00	Nov	144.00	145.50	142.90	144.65	+.45
173.00	127.50	Jan	140.00	142.50	140.00	140.75	+.25
171.30	127.75	Mar	138.00	140.00	138.00	137.25	+.25
169.00	151.00	May				137.25	+.25
		Jul				137.25	+.35
160.00	160.00	Sep				137.25	+.35
		Nov				137.25	+2.75

Est. Sales Prev. Sales 1,492
Prev. Day Open Int. 7,974 off 74

Metals

COPPER (COMEX) 25,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
138.50	73.70	Jul	111.30	114.40	111.30	114.25	+5.35
116.55	116.20	Aug				113.90	+6.50
131.50	76.00	Sep	108.95	112.80	108.00	112.60	+4.70
126.00	77.45	Dec	106.50	108.50	105.70	108.50	+4.10

Est. Sales 6,500 Prev. Sales 3,536
Prev. Day Open Int. 23,128 off 1,139

ALUMINUM (COMEX) 40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
104.00	82.50	Jul				88.00	+.50
		Aug				85.50	+.50
104.00	76.50	Sep				84.50	+.50
98.50	74.50	Dec				80.50	+.50
82.50	82.50	Jan				80.00	+.50
87.00	78.00	Mar				80.00	+.50
		May				80.00	+.50
95.50	95.50	Jul				80.00	+.50
		Sep				80.00	+.50
		Dec				80.00	+.50
		Jan				80.00	+.50
		Mar				80.00	+.50
		May				80.00	+.50

Est. Sales Prev. Sales
Prev. Day Open Int. 93

SILVER (COMEX) 5,000 troy oz.- cents per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
985.0	510.0	Jul	520.0	520.5	519.0	520.2	+1.6
536.0	520.0	Aug				521.0	+1.5
861.0	519.0	Sep	525.5	527.9	524.0	525.5	+1.5
884.0	530.0	Dec	539.0	539.5	536.0	537.9	+1.4
815.0	535.0	Jan				541.1	+1.4
970.0	543.0	Mar	548.0	550.0	548.0	549.1	+1.4
910.0	550.0	May				556.6	+1.2
761.5	580.0	Jul	564.5	564.5	564.5	564.5	+1.0
780.0	580.0	Sep	574.0	574.0	574.0	572.4	+.8
742.0	579.0	Dec	585.0	585.0	585.0	583.6	+.9
688.0	596.0	Jan				587.3	+.9
665.0	594.0	Mar	595.0	595.0	595.0	595.3	+.9
608.0	608.0	May				603.3	+.9

Est. Sales 8,000 Prev. Sales 11,466
Prev. Day Open Int. 84,619 up 878

PLATINUM (NYME) 50 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
647.50	473.50	Jul	494.00	494.50	494.00	494.10	—.30
609.00	475.20	Oct	498.00	498.70	496.00	497.60	—.30
601.50	478.00	Jan	501.00	501.00	500.00	500.70	—.30
557.50	490.00	Apr	504.50	504.50	504.50	504.20	—.30
523.70	494.50	Jul				507.70	—.30
528.00	525.00	Oct				511.20	—.30

Est. Sales Prev. Sales 2,704
Prev. Day Open Int.

PALLADIUM (NYME) 100 troy oz.- dollars per oz

Season High	Season Low		Open	High	Low	Close	Chg.
180.00	116.00	Sep	149.75	150.25	149.25	150.10	+.60
177.50	120.50	Dec	148.00	149.00	148.00	149.70	+.70
176.00	123.00	Mar	148.00	148.00	148.00	147.90	+.70
175.00	140.75	Jun	146.60	146.60	146.60	146.90	+.70
149.50	141.00	Sep				145.90	+.70

Est. Sales Prev. Sales 409
Prev. Day Open Int.
Est. Sales Prev. Sales 409
Prev. Day Open Int.

GOLD (COMEX) 100 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
386.50	370.00	Jul	371.50	372.00	371.50	373.40	+1.00
575.00	360.50	Aug	373.00	374.80	372.10	373.90	+.90
382.00	380.00	Sep				376.20	+.90
575.50	365.00	Oct	378.00	378.80	376.50	378.20	+1.00
514.50	367.50	Dec	381.40	383.20	380.70	382.40	+1.00
516.00	374.50	Feb				386.40	+1.00
525.80	377.50	Apr	389.80	389.80	389.80	390.50	+1.00
497.00	381.00	Jun	393.60	393.70	393.70	394.60	+1.00
487.00	384.50	Aug	397.50	397.50	397.50	398.70	+1.10
472.00	391.00	Oct				402.70	+1.00
455.50	394.00	Dec	405.70	405.70	405.70	406.60	+.90
450.00	397.50	Feb				410.70	+.90
402.00	402.00	Apr				414.80	+.90

Est. Sales 23,000 Prev. Sales 28,035
Prev. Day Open Int. 151,631 off 1,035

Financial

US T. BILLS (IMM) $1 million- pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
93.13	90.41	Sep	92.34	92.52	92.34	92.51	+.09
93.45	90.50	Dec	92.84	93.00	92.85	92.98	+.04
93.60	90.75	Mar	93.08	93.20	93.08	93.20	
93.50	91.10	Jun	93.03	93.03	93.01	93.13	—.01
93.65	91.28	Sep				93.08	—.03

Est. Sales Prev. Sales 9,979
Prev. Day Open Int. 20,114 off 40

10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
100-4	89-13	Sep	99-25	99-25	99-10	99-17	+3
100-4	91-17	Dec	99-17	99-18	99-10	99-16	+3
99-30	95-17	Mar				99-13	+3

Est. Sales Prev. Sales 14,863
Prev. Day Open Int. 79,352 off 653

US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)

Season High	Season Low		Open	High	Low	Close	Chg.
98-21	72-26	Sep	97-2	97-18	96-31	97-10	+7
98-14	72-18	Dec	97-6	97-11	96-26	97-4	+6
98-5	72-1	Mar	97-2	97-2	96-18	96-27	+6
97-22	75	Jun	96-15	96-19	96-15	96-18	+6
97-20	79-1	Sep	96-9	96-10	96-6	96-9	+6
97-11	80	Dec				96	+6
97-2	79-21	Mar				95-24	+6
96-10	82-18	Jun				95-16	+6
96-1	86-4	Sep				95-8	+6
96-1	88-18	Dec				95	+6

Est. Sales Prev. Sales 193,443
Prev. Day Open Int. 332,255 up 4,050

MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
95-13	78-6	Sep	94-14	94-20	94-12	94-18	+4
94-29	81-10	Dec	93-30	94-3	93-30	94-2	+4
94-7	85-19	Mar	93-18	93-18	93-14	93-16	+4
93-21	87-2	Jun				93-1	+4
92-26	91-15	Sep				92-20	+4

Est. Sales Prev. Sales 2,069
Prev. Day Open Int. 17,081 off 7

EURODOLLARS (IMM) $1 million-pts of 100 pct.

Est. Sales Prev. Sales 48,917
Prev. Day Open Int. 300,142 up 511

BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
1.7754	1.4750	Sep	1.6100	1.6162	1.6054	1.6142	
1.7400	1.4550	Dec	1.5950	1.5966	1.5854	1.5950	
1.5840	1.4400	Mar	1.5670	1.5670	1.5670	1.5780	
1.6750	1.4400	Jun	1.5500	1.5500	1.5500	1.5624	

Est. Sales Prev. Sales 11,912
Prev. Day Open Int. 26,290 up 1,117

CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001

Est. Sales Prev. Sales 1,517
Prev. Day Open Int. 19,103 off 61

FRENCH FRANC (IMM) $ per franc- 1 point equals $0.00001

Season High	Season Low		Open	High	Low	Close	Chg.
.16050	.14540	Sep				.15865	+95
.16105	.14540	Dec				.15840	+95

Est. Sales Prev. Sales
Prev. Day Open Int.

GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001

Est. Sales Prev. Sales 21,635
Prev. Day Open Int. 46,294 off 749

JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001

Est. Sales Prev. Sales 26,252
Prev. Day Open Int. 51,164 up 882

SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001

Est. Sales Prev. Sales 16,746
Prev. Day Open Int. 26,298 off 111

Industrials

LUMBER (CME) 130,000 bd. ft.- $ per 1,000 bd. ft.

Est. Sales 1,674 Prev. Sales 2,127
Prev. Day Open Int. 8,438 up 406

COTTON 2 (NYCE) 50,000 lbs.- cents per lb.

Est. Sales Prev. Sales 3,352
Prev. Day Open Int. 40,494 up 137

HEATING OIL (NYME) 42,000 gal- cents per gal

Est. Sales Prev. Sales 34,863
Prev. Day Open Int.

CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.

Est. Sales Prev. Sales 42,983
Prev. Day Open Int.

Stock Indexes

SP COMP. INDEX (CME) points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
340.70	271.50	Sep	337.50	338.80	335.50	336.40	—1.55
344.58	298.90	Dec	341.35	341.35	339.40	340.40	—1.55
348.50	325.80	Mar	345.05	345.05	343.80	344.40	—1.45
347.90	334.50	Jun	347.45	347.45	347.45	348.00	—1.45

Est. Sales Prev. Sales 37,439
Prev. Day Open Int. 117,372 up 1,480

VALUE LINE (KCBT) points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
298.40	266.20	Sep	295.80	296.10	293.90	294.65	—1.30
299.80	271.00	Dec				298.75	—1.30
302.00	292.00	Mar				302.75	—1.30

Est. Sales Prev. Sales 97
Prev. Day Open Int. 1,687 up 21

NYSE COMP. INDEX (NYFE) points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
189.90	153.00	Sep	188.00	188.40	186.95	187.35	—1.00
191.85	161.10	Dec	190.20	190.50	189.10	189.50	—1.05
190.05	170.20	Mar	192.20	192.20	192.10	191.60	—1.10
194.00	188.00	Jun	193.70	194.40	193.70	193.70	—1.15

Est. Sales Prev. Sales 4,904
Prev. Day Open Int. 6,439 up 38

Commodity Indexes

	Close	Previous
Moody's	1,111.50 f	1,117.20 f
Reuters	1,913.60	1,926.70
D.J. Futures	129.15	129.48
Com. Research	224.18	227.03

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

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Currency Options

July 24

PHILADELPHIA EXCHANGE

Total call vol. 2,807 Call open int. 331,144
Total put vol. 16,671 Put open int. 369,553
r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

Paris Commodities

July 24

SUGAR French francs per metric ton

	High	Low	Close Bid	Ask	Ch'ge
Oct	2,485	2,447	2,447	2,453	— 18
Dec	N.T.	N.T.	2,370	2,420	— 18
Mar	2,370	2,350	2,348	2,355	— 45
May	2,360	2,348	2,330	2,345	— 32
Aug	N.T.	N.T.	2,320	2,335	— 45
Oct	N.T.	N.T.	2,250	2,290	— 35

Est. vol.: 350 lots of 50 tons. Prev. actual sales: 1,502 . Open interest: 13,760 .

COCOA French francs per 100 kg

	High	Low	Close Bid	Ask	Ch'ge
Jly	N.T.	N.T.	870	—	Unch.
Sep	N.T.	N.T.	875	—	Unch.
Dec	N.T.	N.T.	920	—	Unch.
Mar	N.T.	N.T.	920	—	Unch.
May	N.T.	N.T.	920	—	Unch.
Jly	N.T.	N.T.	920	—	Unch.
Sep	N.T.	N.T.	920	—	Unch.

Est. vol.: 0 lots of 10 tons. Prev. actual sales: 0 lots. Open position: 4 .

COFFEE French francs per 100 kg

	High	Low	Close Bid	Ask	Ch'ge
Jly	N.T.	N.T.	835	—	—20
Sep	848	N.T.	840	—	—40
Nov	865	855	825	845	—30
Jan	N.T.	N.T.	835	860	—15
Mar	N.T.	N.T.	845	870	—13
May	98 N.T.	N.T.	847	—	—23
Jly	N.T.	N.T.	870	—	—18

Est. vol.: 54 lots of 5 tons. Prev. actual sales: 11 lots. Open position 141.
Source: Bourse de Commerce.

London Commodities

July 24

SUGAR U.S. Dollars per metric ton

	Close Bid	Ask	High	Low	Previous Bid	Ask
Aug	308.80	309.00	317.60	309.00	313.60	314.40
Oct	310.00	310.40	318.40	309.40	314.20	314.60
Dec	291.00	299.00	301.00	301.00	297.60	305.00
Mar	289.00	290.00	298.00	289.00	294.20	294.40
May	285.00	286.40	292.00	292.00	290.40	292.00
Aug	278.00	282.40	287.00	287.00	282.00	287.00
Oct	274.80	275.00	N.T.	N.T.	283.00	284.00

Volume: 4,372 lots of 50 tons.

COCOA Sterling per metric ton

	Close Bid	Ask	High	Low	Previous Bid	Ask
Jul	853	856	856	848	858	859
Sep	863	864	870	863	873	874
Dec	914	915	922	913	925	926
Mar	893	894	899	893	901	902
May	899	900	907	899	910	911
Jul	914	916	920	916	923	925
Sep	930	932	935	932	937	940

Volume: 1,551 lots of 10 tons.

GASOIL U.S. dollars per metric ton

	Close Bid	Ask	High	Low	Previous Bid	Ask
Aug	147.00	147.00	147.25	147.25	151.00	151.25
Sep	147.25	147.50	151.50	147.25	152.25	152.50
Oct	149.25	149.50	153.25	149.25	153.75	153.00
Nov	151.00	151.25	153.50	150.75	154.25	154.50
Dec	151.00	151.50	154.00	151.50	155.50	156.00
Jan	148.00	151.00	154.50	151.00	152.00	153.25
Feb	145.00	148.00	N.T.	N.T.	147.00	151.00
Mar	142.00	151.00	N.T.	N.T.	147.00	150.00
Apr	142.00	151.00	N.T.	N.T.	145.00	150.00

Volume: 6,794 lots of 100 tons.
Sources: Reuters and London Petroleum Exchange.

London Metals

July 24

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1747.00	1749.00	1743.00	1745.00
Forward	1753.00	1754.00	1745.00	1747.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1577.00	1579.00	1546.00	1548.00
Forward	1565.00	1566.00	1534.00	1535.00
LEAD Sterling per metric ton				
Spot	423.00	425.00	424.00	426.00
Forward	411.00	412.00	414.00	415.00
NICKEL Dollars per metric ton				
Spot	12150	12200	12000	12100
Forward	11300	11400	11325	11350
TIN Dollars per metric ton				
Spot	9565.00	9575.00	9560.00	9565.00
Forward	9555.00	9560.00	9550.00	9555.00
ZINC (High Grade) U.S. Dollars per metric ton				
Spot	1675.00	1680.00	1640.00	1645.00
Forward	1595.00	1597.00	1560.00	1565.00

Source: AP.

Spot Commodities

July 24

Commodity	Today	Prev.
Aluminum, lb	0.88	0.875
Coffee, lb	0.85	0.88
Copper electrolytic, lb	1.209	1.223
Iron FOB, ton	213.00	213.00
Lead, lb	0.395	0.39
Printcloth, yd	0.50	0.50
Silver, troy oz	5.285	5.17
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	110.50	110.00
Tin, lb	5.5757	5.5736
Zinc, lb	0.80	0.80

Source: AP.

S&P 100 Index Options

July 24

Calls: total volume 57,194; total open int. 227,886
Puts: total volume 94,018; total open int. 697,036
S&P 100 index:
High 313.36 low 310.33 close 310.49 — 2.97
Source: CBOE.

Dividends

July 24

Company	Per	Amt	Pay	Rec
INCREASED				
Evergreen Bancorp	Q	.22	8-10	7-31
Fourth Financial	Q	.27	9-1	8-15
La-Z-Boy Chair Co	Q	.14	9-8	8-18
Peoples Bancorp NC	Q	.14	9-20	9-6
STOCK SPLIT				
Mentor Graphics Corp — 2-for-1				
USUAL				
Atkinson (Guy) Co	Q	.12	8-21	7-31
Canadian Pacif For.	Q	.45	10-2	9-1
Central Louisiana	Q	.41	9-1	8-15
Mentor Graphics	Q	.05	8-14	7-28
NECO Enterprises	Q	.37½	9-1	8-2
Owens & Minor Inc	Q	.06½	9-30	9-15
Tasty Baking Co	Q	.15	9-1	8-4
Teleflex Inc	Q	.12	9-15	8-25
Three D Depts cl-A	Q	.02½	8-18	8-4
Three D Depts cl-B	Q	.01½	8-18	8-4
Union Electric Co	Q	.50	9-29	9-7
Wiser Oil Co	Q	.10	9-11	8-4

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

U.S. Treasuries

July 24

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	8.07	8.09	8.36	8.37
6-month bill	7.78	7.80	8.22	8.21
1-year bill	7.46	7.48	8.02	8.00
	Bid	Offer	Yield	Prev. Yield
30-yr. bond	108 5/32	108 7/32	8.14	8.15

Source: Salomon Brothers.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

July 24

Strike Price	Calls-Settle Aug	Sep	Dec	Puts-Settle Aug	Sep	Dec
51	1.94	2.11	2.71	0.05	0.24	0.44
52	1.05	1.37	2.05	0.16	0.49	0.96
53	0.41	0.81	1.50	0.52	0.92	1.39
54	0.10	0.44	1.09	1.21	1.54	1.93
55	0.04	0.22	0.78	—	2.31	2.59
56	0.02	0.10	0.43	—	3.17	3.32

Est. total vol.: 6,144
Calls: Fri. volume: 4,765; open int.: 79,844
Puts: Fri. volume: 4,714; open int.: 83,008
Source: CME.

NYSE Highs-Lows

NEW HIGHS 91

Airbn Frt, Amer T&T, BrokenHill n, CocaCola, duPont, Fieldcrst, Gillette, Heinz, Humana, KCSouind, Louisv GE, MarkIV, MooreCorp, NewPlanRlt, NICOR Inc, PhEl 950pf, viRobinsAH, Sonat, SymsCp, TolEd 281pf, UNUM, VaEIP 5pf, AlliedSignal, BankAmer, BklynUGs pf, Comdisco, DukeP pfF, FstBkSv, GlfSU 880pf, HolidayCp, Idex cp n, Kellogg, LIL Co pfW, MFS Inco, McDonld, MorganKeg, Nevell s, Nucor, Proler s, Ryder, SoRy 260pf, TRW 450pr, TolEd 236pf, UnilvrNV, WarnrComm, AmBarick, BemisCo, CarterWall, ConnNGs, DuqLt 231pr, GallagherAJ, HanJhn Inv, HomeDepot s, IowaIll GE, Kroger n, LIL Co pfU, Malaysia, MetE 390pf, MurphyOil, NewsCp pf, OhEd 912pf, RaymdJames, ScheraPlgh, Squibb, Tandem, Tonka, UnEl 4pf, Warn Lamb, Am Home, Berksh Hath, Circus, CounsTandSF, EmpDist El, GaPacif, HowellEl, Honeywell, KCPL 380pf, LincPlac Fd, LaGenlSvc, Manville pf, Montedison, NWA Inc, Niagra Shre, PaineWeb pf, Repsol n, Scottysinc, SldPacLP, TxPacLd, Torchmark, UnPacCp, WashNat pf

NEW LOWS 23

viAlgin 112, CallhnMng, IntegRsc, LomNFin, SterlingChm n, UnisysCp, ArrowElec, Callon, IntgRs adj p, Nat Ent, Talley pfB, VanKmpLid n, ArrowE pf, CrossldSav, IntgRs 425p, ProspctSt n, Winnebago, CNW Cp wd, DynaCo Am, IntgRs 81pf, SvcResour, Ultimate

AMEX Highs-Lows

NEW HIGHS 27

AmTr-arc sc, CoglesIn A, EnlPub n, KV Phrm, PGE 150pf, PriceCom s, UnFoodsA, AmTr-ko prm, CondpaWneB, FredHoly s, MetPro s, PennTrat n, Ruddick pr, UnFoodsB, AmTr-mrk un, ChmbDevB, GrahamCp, MidlandCos, PhilLgDls, TolEd 425pf, UnitelVid, AmTr-mo sc, ChiefmInt n, HollyCp wi, MislonRsc n, PresidO A, TolEd 10pf

NEW LOWS 10

EmpireAm, OhioArt Co, TCS Enl n, Iroquois Bd, Oppenheim, WCI Hld wt, Lumex, PrmeFn pf, Medicore, RoyalBel

Stock in Amstrad Slips On Computer Recall

Reuters

LONDON — The stock price of Amstrad PLC touched its lowest level of the year Monday after the company recalled all top-line and midrange models of its latest PC2000 personal computers.

By midday the stock was down 3 pence, but recovered to close down a penny, at 74. The company said it was recalling for exchange about 7,000 units sold to date of its PC2286 and PC2386 computers in an operation that analysts said could cost $800,000. Deliveries were halted in April because of problem with disk drives.

Chrysler Slates Executive Talks, Layoffs Expected

Compiled by Our Staff From Dispatches

DETROIT — Chrysler Corp. said Monday that cost reduction would be among internal matters that its executives would discuss at a meeting later this week.

With the top 600 executives scheduled to meet Thursday with Chairman Lee A. Iacocca, there was speculation within the industry that the automaker plans cuts in its white-collar staff.

The company is suffering the worst sales decline among U.S. automakers during the current sales slump. Chrysler's auto sales are down nearly 15 percent, compared with a 6 percent drop in industry sales.

Chrysler executives had said they expected sales to be slower this year because the company eliminated a number of older models.

Chrysler's last significant round of employee cutbacks came in late 1987, when it eliminated 3,500 white collar workers, or about 10 percent of its work force. That was shortly after it acquired American Motors Corp. (Reuters, UPI)

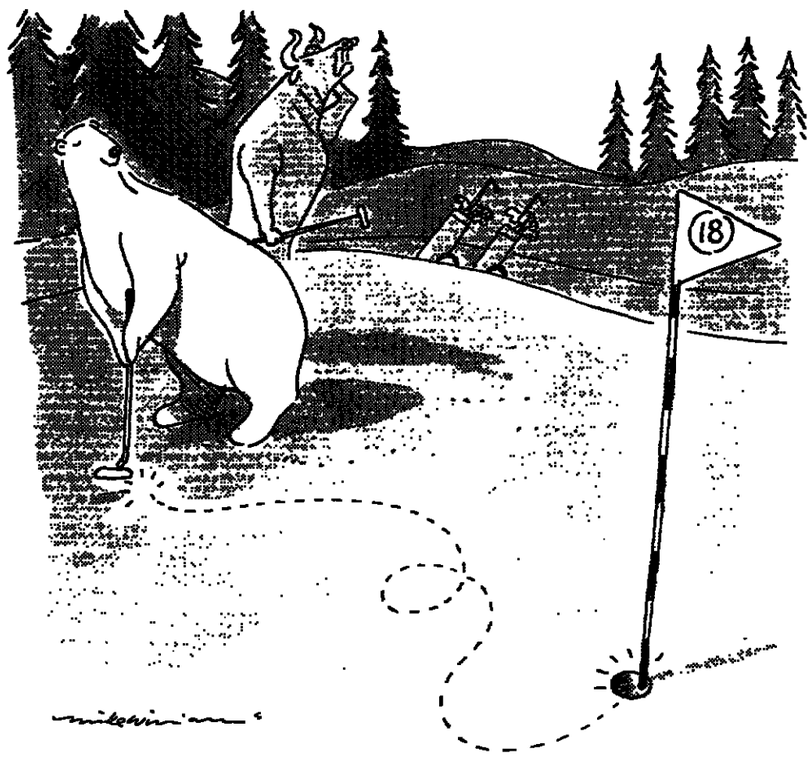
Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend of 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s). b — annual rate of dividend plus stock dividend. c — liquidating dividend. cld — called. d — new yearly low. e — dividend declared or paid in preceding 12 months. g — dividend in Canadian funds, subject to 15% non-resident tax. i — dividend declared or paid after split-up or stock dividend. j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k — dividend declared or paid this year, an accumulative issue with dividends in arrears. n — new issue in the past 52 weeks. The high-low range begins with the start of trading. nd — next day delivery. P/E — price-earnings ratio. r — dividend declared or paid in preceding 12 months, plus stock dividend. s — stock split. Dividend begins with date of split. sls — sales. t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u — new yearly high. v — trading halted. vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd — when distributed. wi — when issued. ww — with warrants. x — ex-dividend or ex-rights. xdis — ex-distribution. xw — without warrants. y — ex-dividend and sales in full. yld — yield. z — sales in full.



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1	2	3	4	5	6
1 10 20 30 40	1 10 20 30 40	1 10 20 30 40	1 10 20 30 40	1 10 20 30 40	1 10 20 30 40
1 11 21 31 41	1 11 21 31 41	1 11 21 31 41	1 11 21 31 41	1 11 21 31 41	1 11 21 31 41
2 12 22 32 42	2 12 22 32 42	2 12 22 32 42	2 12 22 32 42	2 12 22 32 42	2 12 22 32 42
3 13 23 33 43	3 13 23 33 43	3 13 23 33 43	3 13 23 33 43	3 13 23 33 43	3 13 23 33 43
4 14 24 34 44	4 14 24 34 44	4 14 24 34 44	4 14 24 34 44	4 14 24 34 44	4 14 24 34 44
5 15 25 35 45	5 15 25 35 45	5 15 25 35 45	5 15 25 35 45	5 15 25 35 45	5 15 25 35 45
6 16 26 36 46	6 16 26 36 46	6 16 26 36 46	6 16 26 36 46	6 16 26 36 46	6 16 26 36 46
7 17 27 37 47	7 17 27 37 47	7 17 27 37 47	7 17 27 37 47	7 17 27 37 47	7 17 27 37 47
8 18 28 38 48	8 18 28 38 48	8 18 28 38 48	8 18 28 38 48	8 18 28 38 48	8 18 28 38 48
9 19 29 39 49	9 19 29 39 49	9 19 29 39 49	9 19 29 39 49	9 19 29 39 49	9 19 29 39 49

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4 Games	☐ $180.	☐ $450.	☐ $ 900.
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ZP-06

DEBT: *As Crisis Mounts, Washington Officials Are Awash in Arguments but Have Dearth of Consensus*

(Continued from page 1)

poses to the financial system, the loss of jobs because of reduced exports to developing markets, and matters regarding immigration and national security.

Without a consensus in Washington that the debt problems pose a threat to regional political and economic stability great enough to warrant more direct government involvement, progress on debt relief will continue to proceed at a pace that is set by the commercial banks.

The question some academics and policy analysts ask is whether this is desirable from a public policy standpoint. The banks, after all, are profit-seeking organizations with obligations to shareholders.

Many bankers think that countries like Venezuela and Brazil have the resources to repay their loans and should not be let off the hook, especially since that could send the wrong signal to countries that have faithfully been making payments on their debts. Other lenders complain that by granting debt relief they are simply subsidizing those banks that do not: Banks that refuse to participate stand to benefit because the remaining loans will be of higher quality, as the debtor will be in a better position to pay.

A number of debt analysts and academics believe it is unrealistic to leave the implementation of debt relief primarily in the hands of private financial institutions.

"The major case for debt relief is that the health of these economies is of significant political and economic import to the United States," said Peter B. Kenen, an economics professor at Princeton University. "I don't think you can ask private financial institutions to bear all the costs, to carry all the burden, for leading public policy initiatives."

Others have become convinced that debt reduction is the only way for the countries to break the cycle of taking on new loans to help pay off old ones and diverting income from investments to debt service.

As a result of this vicious circle, Latin American economies have stagnated while poverty and outbreaks of violence are on the rise, these people say. In their opinion, the U.S. administration should do more to persuade the banks to be generous, freeing resources for badly needed investment.

"Somebody, somewhere, has to say to the banks: 'An agreement will be reached and everyone will sign it, or you will all have to write down the value of your loans to their market value,'" said Norman A. Bailey, a consultant who was a National Security Council adviser.

Others think the administration should create tax incentives or more regulatory inducements to force a greater reduction of debt.

But more direct government intervention of the sort Mr. Bailey and others advocate would require Washington to speak with a single voice. It is doing anything but.

"There is clearly a conflict within the government," said Shafiqul Islam, a senior fellow at the Council on Foreign Relations.

At the Treasury, for instance, senior staff members like David C. Mulford and Charles H. Dallara are trying to keep the pressure on the commercial banks, people close to the negotiations said. But Mr. Brady had been employing more of a "hands-off" policy until very recently, when he began interceding through personal telephone calls to a number of bank chairmen.

A senior Treasury official, who asked that he not be identified, said that his agency's role is to monitor and nudge and try to bring parties together. He added, "There is clearly a limit, however, to how far government officials can or should go." As for the degree of Mr. Brady's involvement, he said, "You don't call in your top guns in the first quarter of the ball game."

The Federal Reserve Board's position has been equally unclear. On the one hand, William Taylor, a Fed official, startled bankers in late June by warning at a congressional hearing that if more cooperation by both sides was not forthcoming, the debtors would simply be unable or unwilling to pay. Then, he said, banks would almost certainly have to set aside more reserves, their cushion against loan losses, which would hurt their profits.

"Time is running short and uncertainties appear to be increasing," Mr. Taylor said in what many bankers saw as a thinly veiled threat.

But there has not been consistent follow-through from the top. To be sure, the president of the Federal Reserve Bank of New York, E. Gerald Corrigan, has been participating in some of the Mexican negotiations. But the Federal Reserve's chairman, Alan Greenspan, has not played a visible role on the issue.

A Fed spokesman said Mr. Greenspan and other officials were unable to comment because of the sensitive state of the Mexican negotiations. But Fed officials and bankers believe that the chairman's posture stems partly from his belief that the issue no longer poses a threat to the U.S. financial system, and, partly, from his philosophical bent.

"Greenspan is very much the 'let the market take care of it' type of person," Mr. Bailey said. By contrast, the previous Federal Reserve chairman, Paul A. Volcker, regularly resorted to growling, arm-twisting, and regulatory threats to get bankers to take steps that they would otherwise have avoided.

Bankers became convinced that ambivalence reigned at the top of the Treasury and the Federal Reserve in early June, when about 100 of the world's top bankers gathered in Madrid for an annual huddle. When Mr. Brady and Mr. Greenspan addressed them, the bankers braced themselves for a stream of chastisements and blunt directives about cooperating more in granting debt relief to Mexico. Instead, say those who were there, they were treated to relatively bland advice about doing what they thought best.

"They basically said: 'You guys work out the details,'" said one top banker. "They did not win any converts."

If there are confusing signals coming from the Federal Reserve and the Treasury, the rest of Washington's policy apparatus seems equally unfocused. The World Bank and the International Monetary Fund are sitting on the sidelines, having done their part by setting aside $20 billion to provide guarantees on loans that will remain after debt reduction has taken place. Mr. Baker, whose own debt plan was shelved after he moved on to become secretary of state and Mr. Brady announced his proposals, is said to be doing the same.

"Baker sees Brady out on a limb and he's not climbing out there with him," said a person close to the negotiations. A State Department spokesman said the Treasury has the lead role on this issue, but that Mr. Baker has lent his vigorous support to Mr. Brady's initiative.

And in a recent unexpected development, the chairman of the Federal Deposit Insurance Corp., L. William Seidman, took an aggressive stance by being the first government official to back the concept of an international insurance agency that would create strong incentives for banks to offer more debt relief.

After calling for an adjustment of debt to levels that can be serviced, Mr. Seidman said, "Leadership from U.S. and other governments must make such adjustments appropriate public policy." At the same time, he urged that tax, legislative and regulatory changes be made to support debt relief. In doing so, he put himself at odds with the Federal Reserve, which has explicitly rejected some of those ideas.

These divisions in Washington reflect practical considerations, as well as philosophical differences about what role the government should play in the Third World debt issue.

In practical terms, the United States at present has only words, and no money, to offer as an inducement to the banks to grant more debt relief. The limits of the federal budget deficit were demonstrated several weeks ago, when the administration offered only $200 million a year in financial assistance to the politically important Philippines, and even less to Poland and Hungary — amounts that were characterized by pro-democracy groups in those countries as woefully inadequate.

And Congress is not yet convinced that it wants to commit the taxpayers' money to the Third World debt issue. Representative Jim Leach, Republican of Iowa, noted that he had tried to get an amendment passed to give discretionary authority to the Treasury to raise the insurance premiums of banks that did not participate in Mr. Brady's plan. "It was defeated rather soundly," he said.

But even if the financial resources were available, it is not clear that Washington would be disposed to use them. What ails many Latin American nations, in the minds of many officials, is not overindebtedness but misguided economic policies.

Until the debtors undertake serious economic reforms, so this argument goes, there is no point in using taxpayer money to encourage debt relief. It would simply be squandered, as in the past, with the proceeds ending up in bank accounts in Miami and Geneva.

"Frankly, if these governments generate centrally planned, highly inflationary economies with barriers to trade, no amount of relief is going to solve their problems," said Lawrence A. Kudlow, chief economist of Bear, Stearns & Co., echoing a familiar refrain at the Treasury. Mr. Kudlow was an official in the Office of Management and Budget under President Ronald Reagan.

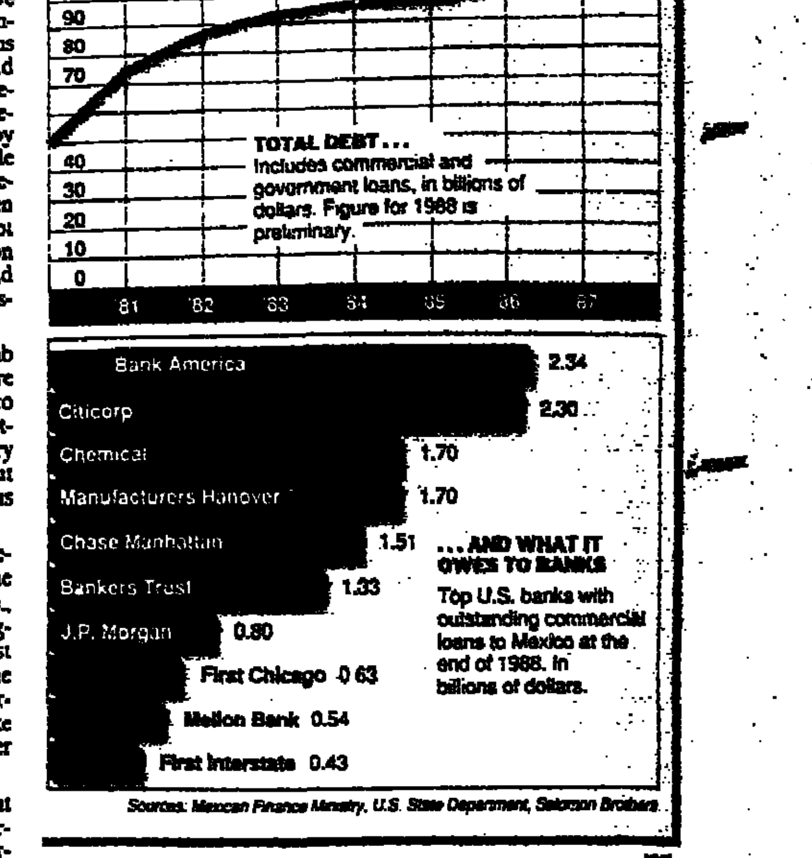
Even if top Treasury and Fed officials become convinced that it is time to assert themselves, there are limits to how much they can do. American banks hold only about 30 percent of Latin America's bank debt, with the rest spread among Japanese and European banks.

But many of the foreign institutions have already written off large portions of their loans, and they tend to argue that what remains is largely a U.S. problem. Because they are in a stronger financial position, foreign banks are balking even more than their U.S. counterparts at being told by the U.S. Treasury that it would be good for them to take large losses on their loans.

Given the divided political landscape and a splintered banking community, many policy analysts have concluded that progress on debt relief is likely to be slow in coming. But without it, the banks and the heavily indebted countries are headed for collision.

Next: Debt and Mexico's economy

MEXICO'S FOREIGN DEBT



Sources: Mexican Finance Ministry, U.S. State Department, Salomon Brothers

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INTERNATIONAL FUNDS

July 24, 1989

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

AL-MAL GROUP		
(w) Al-Mal Trust, S.A.	$	295.41
(r) Managed Currency	$	889.18
(w) Equity	$	962.85
(w) Bond	$	972.96
ALPHA ASSET MANAGEMENT LTD.		
(m) Alpha Global Fund	$	603.99
(m) Alpha Arbitrage Fund	$	257.04
(m) Alpha Hedge Fund	$	318.58
(w) Nicholas-Applegate Aurelia	$	129.04
BANK JULIUS BAER & CO. Ltd.		
(d) Baerbond	SF	952.00
(d) Conbar	SF	1843.00
(d) Equibaer America	$	1712.00
(d) Equibaer Europe	SF	1632.00*
(d) Equibaer Pacific	SF	1638.00*
(d) Stockbar	SF	2267.00
(d) SFR-BAER	SF	985.00*
(d) Swissbar	SF	2509.00
BAII MULTICURRENCY		
(r) Multicurrency US$	$	1,344.25
(r) Multicurrency Ecu	ECU	1,166.59
(r) Multicurrency Yen	Y	248,268.00
(r) Multicurrency FFR	FF	11,465.87
BNP INTERFUNDS		
(w) Interbond Fund	$	193.12
(w) Intercurrency US$	$	10.79
(w) Intercurrency DM	DM	30.52
(w) Intercurrency Sterling	£	10.60
(w) Intercurrency Managed	$	10.61
(w) Interequity French Offer	$	14.65
(w) Interequity Pacific Offer	$	19.55
(w) Interequity N. Amer. Offer	$	12.45
(w) Interequity European Class	$	9.38
(w) Interequity Australia Cls.	$	9.96
(w) Interlux Capital Belgian	LF	56,990.00
(w) Interlux Cap.Fr Securite	FF	11,388.89
(w) Interlux Capital FFr	FF	13,306.76
(w) Interlux Cap.France Cap.	FF	17,058.82
(w) Interlux Cap. LUF/BEF	LF	168,436.00
(w) Interlux Capital ECU	ECU	1,206.21
BANQUE BELGE ASSET MGMT FUND		
Share Distributor Guernsey 0481 26614		
(w) Int'l Equity Fund (Sicav)	$	11.66
(w) Int'l Bond Fund (Sicav)	$	10.32
BANQUE INDOSUEZ		
(w) Asian Growth Fund	$	30.50
(w) Asian Income Fund	$	9.25*
(w) Diverbond	SF	84.95
(w) FIF-Internat. Div.A	$	17.96
(w) FIF-Internat. Div.B	$	18.68
(w) FIF Internat.America	$	15.71
(w) FIF Internat.Pacific	$	43.89
(w) FIF Internat.Europe	$	27.78
(w) FIF Internat.Japan	Y	1,209.00
(w) FIF Int. Nat. Res. A	$	11.12
(w) FIF Int. Nat. Res. B	$	11.12
(w) France Blue chips No 1	FF	118,111.00
(w) Indosuez Multibonds Div.A	$	133.06
(w) Indosuez Multibonds Div.B	$	279.08
(w) France International	FF	101.81
(w) Indosuez Multibonds US$	$	109.93
(w) Indosuez Multibonds YEN	Y	9,888.00
(w) Indosuez Multibonds DM	DM	102.76
(w) IPNA-3	$	1120.00
(w) Malacca Fund	$	11.49
(w) The Siam Fund	$	17.43
(w) Pacific Gold Fund	$	12.35
BANQUE PRIVEE E. DE ROTHSCHILD		
(w) Daiwa Lcf Equity	$	1015.41
(d) Daiwa Lcf Int. Bond	$	1030.33
(w) Ecu D'Or	ECU	96.17
(w) Hispano Int'l Fund	ECU	10.10
(b) Pri-Tech	$	1155.14
(b) Source Sicav	$	11.28
BANQUE E. DE ROTHSCHILD LUX. SA		
(b) Cursitor BP Fixed Inc.Fund	DM	125.20
(b) Cursitor BP General Fund	DM	146.00
(b) Eagle Fund	LF	10322.00
(d) Europe Japan Fund	$	10.09
(b) Governm. Sec. Funds	$	75.69
(w) Leicom	$	2654.09
(w) Opportunities Fund	$	868.07
(d) Prifirst	$	515.17
(b) Priropfund	DM	50.11
(w) Rente Plus	BF	58471.00
(f) Select. Horizon Dev.	FF	56472.45
(f) Select. Horizon FF	FF	53180.99
(b) Star Conv.Fund FL	FL	10014.00
(b) Star Conv.Fund USD	$	102.95
BANQUE SCANDINAVE EN SUISSE-GENEVA		
(w) BSS Bond Fund	SF	81.95*
(w) BSS Intelsec.	SF	1845.25
(w) BSS Int'l Bond	$	1.22*
(w) BSS Int'l Equity	$	2.105
B.F.A.C.M.		
(w) Ecu Multiplacement	ECU	1170.56
BROADGATE INTERNATIONAL FUND		
(d) $ Money Market	$	12.40
(d) Non-$ Money Market	DM	30.20
(d) $ Bond	$	13.11
(d) Non-$ Bond	DM	31.14
(w) Global Equity	$	16.19
(w) Global Bond	$	13.26
(w) Global Bond & Equity	$	14.13
(w) Prec. Mets/Min. Secs	$	6.65
B.W MANAGED ASSETS CY,SICAV		
(t) Global Bond Fund	ECU	10.87
(t) European Securities Fund	ECU	12.89
(t) French Securities Fund	FF	124.44
(t) North American Secu.Fund	$	11.08
(t) Pacific Basin Secu. Fund	$	9.34
CAISSE CENTRALE DES BANQUES POP.		
(d) Fructilux-Obl.FSES	FF	5,712.27
(d) Fructilux-Obl.Euro	ECU	1,056.71
(d) Fructilux-Act.Fses	FF	7,222.74
(d) Fructilux-Act.Euro	ECU	1,222.32
(d) Fructilux-Tresorier	FF	5,665.10
CALLANDER		
(w) Callander Emer. Gr.	$	115.15
(w) Callander Fund-Asset	$	106.02
(w) Callander Fund-Span.	Ptas	10.544
CAPITAL INTERNATIONAL		
(w) Capital Int'l Fund	$	90.36*
(w) Capital Italia SA	$	35.99
CDC INTERNATIONAL		
(w) CFI Court Terme	FF	115567.16
(w) CFI Long Terme	FF	1149774.93
CIC GROUP		
(d) Oblicic Monetaire	FF	11285.40
(d) Oblicic Court Terme	FF	11646.22
CITICORP INVESTMENT BANK (Lux.)		
POB 1373 Luxembourg Tel. 477.95.71		
(d) Citicur USD Portofolios	$	1289.82
(d) Citinvest Ecu Income	ECU	1305.44
(d) Citinvest Manag. Growth	$	1176.17
(d) CitiMana.Growth Euro	ECU	1040.29
(d) Citinvest Profit Sharing	$	$
(d) Citinvest Selector	$	907.01
(d) Citinvest Guardian $	$	1061.82
(d) Citinvest Guard. Euro	ECU	1064.41
(d) Citiport N.A Equity	$	138.45
(d) Citiport Jap. Equity	Yen	11171.00
(d) Citiport UK Equity	£	122.11
(d) Citiport S.Asian Eq.	$	129.61
(d) Citiport Cont.Euro. Eq.	ECU	131.72
(d) Citiport N.A.S Bond	$	111.40
(d) Citiport Euro Bond	ECU	102.43
(d) Citiport AS.Poc.Bd.	YEN	10507.00
CITITRUST		
(w) US. $ Equities	$	215.18998
(w) US. $ Bonds	$	11.97397
(w) US. $ Money Market	$	12.37877
(w) Global Equities	$	9.50000
(w) Global Money Market	$	11.30000
(w) Global Bonds	$	11.40000
CCF - GAMMA		
(w) CM Inv.Ser.Fds-Actibonds	$	35.99
(w) CM Inv.Ser.Fds-Glbl.Grth	$	11.17
(w) CM North Amer Grth	$	9.09
(w) Elysees Court Terme	FF	58,044.31
(w) Elysees Long Terme	FF	54,518.48
(w) Elysees Monetaire	FF	59,016.73
(w) Elysees Multibonds Fd	£	106.74
(w) EMF D-Mark (A&B)	DM	1,014.32
(w) EMF Ecu (A & B)	ECU	1,028.43
(w) EMF US Dollar (A & B)	$	1,083.22
(w) EMF Yen (A & B)	YEN	100,555.00
(d) Europe Prestige Fund A	ECU	10.90
(d) Europe Prestige Fund B	ECU	11.47
(w) European Smlr Cos. Fd.A	ecu	13.57
(w) European Smlr Comp.Fd.B	ecu	13.57
CODEVALOR SICAV		
(w) C.Rendement Fr.Suisse	SF	1909.31
(w) C.Rendement US$	$	1423.31
(w) C.Croissance Dollar	$	1509.59
(w) C.Croissance Zone Sterling	£	993.00
(w) C.Croissance Fr.Suisse	SF	2083.71
COMPASS INTL HOLDINGS Ltd.		
POB 455, Jersey 0534 27267		
(w) Bond:Dollar Medium Term	$	11.15
(w) Bond:Ecu Multicurrency	ECU	10.43
(w) Equity:United Kingdom	£	11.88
CREDIT SUISSE (ISSUE PRICES)		
(d) CSF Bonds	SF	82.50
(d) Bond Valor Swf	SF	104.25
(d) Bond Valor US-DOLLAR	$	125.89
(d) Bond Valor D-mark	DM	114.25
(d) Bond Valor Yen	Y	10,969.00
(d) Bond Vaor £ Sterling	£	100.40
(d) Convert Valor Swf	SF	156.40
(d) Convert Valor US-DOLLR	$	177.39
(d) CSF International	SF	141.00
(d) Actions Suisses	SF	618.75
(d) Europa-Valor	SF	225.25
(d) Energie-Valor	SF	160.00
(d) Canasec	SF	645.00
(d) Ussec	SF	792.00
(d) Pacific-Valor	SF	230.00
(d) CS Gold Valor	$	153.45
(d) CS Ecu Bond A	ECU	102.48
(d) CS Ecu Bond B	ECU	117.41
(d) CS Europa Bond 'A'	DM	252.64
(d) CS Europa Bond 'B'	DM	252.64
(d) CS Gulden Bond A	FL	100.30
(d) CS Gulden Bond B	FL	111.55
(d) CS Prime Bond 'A'	DM	97.74
(d) CS Prime Bond 'B'	DM	103.29
(d) CS Short-T. Bd DM A	DM	100.53
(d) CS Short-T. Bd DM B	DM	111.01
(d) CS Short-T. Bd $ A	$	101.50
(d) CS Short-T. Bd $ B	$	114.83
(d) CS Money Market Fund	$	1408.84
(d) CS Money Market Fund	DM	1223.51
(d) CS Money Market Fund	£	1478.46
(d) CS Money Market Fd Yen	Y	115,235.00
DIT INVESTMENT FFM		
+(d) Concentra	DM	43.29
+(d) Int'l Rentenfond	DM	80.33
DREXEL BURNHAM LAMBERT INC		
Winchester House, 77 London Wall		
LONDON EC2 (01) 9207797		
(w) Finsbury Group Ltd	$	162.69
(w) Winchester Capital	$	107.37
(w) Winchester Holdings	FF	142.62
(w) Winchester Holdings	£	14.86
(w) Winc.Holdings Ltd.E.B.S	ECU	1171.74
(w) Winc.Reserves.E.B.S	ECU	1125.41
(w) Winc.Reserv.MultiGvBd.	ECU	11.61
(w) Worldwide Securities	$	33.86
(w) Worldwide Special	$	787.45
(m) Winch Fut.Diversified	$	17.06
(m) Winch Fut.Orion Series	$	21.05
(m) Winchester Frontier	$	194.89
(m) Winchester Recovery Ltd	$	91.75
EBC TRUST CO.(JERSEY) LTD.		
1-3 Sele St.,St. Helier:0534-36331		
EBC AMRO TRADED CURRENCY FUND.		
@(d) Inc.: Bid $ 13.60 Offer	$	14.028
@(d) Cap.: Bid $ 19.40 Offer	$	20.002
INTERNATIONAL INCOME FUND		
(d) Short Term 'A' (Accum)	$	1.1067
(d) Short Term 'A' (Distr)	$	0.7190
(d) Short Term 'B' (Accum)	$	1.3722
(d) Short Term 'B' (Distr)	$	0.9780
(w) Long Term	$	30.4601
ELDERS SECURITIES INC.		
W. Ratter, (212) 573-0440		
(d) EFF	$	331.50
(d) ESP	$	151.40
(d) EMR	$	102.15
ELDERS SWITZ.(038) 24 79 79		
(w) Elders Int Bid SF 105.25 Offer	SF	111.50
(w) Elders Aus Bid A$ 90.75 Offer	A$	92100
EQUIFLEX LIMITED		
(w) Europe A	FL	11.67
(w) Global A	FL	12.10
(w) North America A	FL	10.66
(w) UK Equities	£	11.09
(w) UK Small Co.	£	11.05
EURO PACIFIC ADVISERS Ltd.		
(w) Comete	$	763.70
(w) Meteore	Y	121,382.00
(w) Pacific Horizon Invt. Fd	$	1791.86
F&C MGMT. LTD. INV. ADVISERS		
1, Laurence Pountv Hill, EC4. 01-623-4680		
(w) F&C Atlantic	$	20.76
(w) F&C European	$	38.05
(w) F&C Oriental	$	87.29
(w) F&C N. American M C Fd	$	9.67
(w) F&C Nordic Fund	$	12.62
FIDELITY INT'L INV. MGMT (LUX.) S.A.		
(d) New Europe Fund	$	10.42
(d) Fidelity Conv. Sec. Portf.	$	10.17
FIDELITY POB 670, Hamilton Bermuda		
(m) Fid. Amer. Val.II Com.	$	114.19
(m) Fid. Amr.Val.II Cum.Pref.	$	102.00
(m) Fid. Amer. Val.III Com.	$	59.88
(m) Fid. Amr.Val.III Cum Pret.	$	102.17
(d) Fidelity Amer. Assets	$	130.90*
(d) Fidelity Australia Fund	$	15.72
(d) Fidelity Dir. Svgs.Tr.	$	163.67
(d) Fidelity Pacific Fund	$	317.66
FIDELITY INT'L SERVICE (LUX.)		
(d) Balanced Portfolio-hedged	$	10.97
(d) Balanced Portfolio-unhedg	$	11.42
(d) Fidelity Discovery Fund	$	17.32
(d) Fidelity Far East Fund	$	63.66
(d) Fidelity Frontier Fund	$	22.24
(d) Fidelity Global Ind. Fd	$	13.10
(d) Fidelity Global Selct Fd	$	12.63
(d) Fidelity Int'l. Fund	$	13.88
(d) Fidelity Orient Fund	$	95.06
(d) Fidelity Spcl. Growth Fd.	$	32.97
(d) Fidelity World Fund	$	68.39
FIDELITY INT'L (CI) LTD.		
FIDELITY PERFORM PORTFOLIOS LTD.		
(d) American Portfolio	$	1.04*
(d) European Portfolio	$	1.60*
(d) Japan Portfolio	$	1.35*
(d) South East Asian Portfolio	$	0.92*
(d) U.K. Portfolio	$	1.16*
(d) Intl. Bond Portfolio	$	0.96*
(d) Sterling Liquidity Pftl.	£	10.20*
(d) Dollar Liquidity Portfolio	$	10.13*
FINAFUTURES (BVI) Ltd		
(d) Portafolio Fund-series 1	$	1.9574
FOKUS BANK A.S. 472 428 555		
(w) Scanfonds Int'l growth fd	$	1.59
FORBES PO B887 GRAND CAYMAN		
London Agent 01-839-3013		
(w) Forbes High Inc. Gilt Fd	£	47.90
(w) Gold Income	$	4.19
(w) Gold Appreciation	$	4.04
GAIA CURRENCY HEDGE FUNDS		
(w) Gaia Hedge I S $ 92.40* Red	$	91.71
(w) Gaia Hedge II S $ 140.58* Red	$	136.98
GAM ANLAGEFONDS AG.		
POB 144, 8034 Zurich Tel.41-1-2516640		
(w) GAM (CH) America	SF	1220.00
(w) GAM (CH) Mondial	SF	1361.00
(w) GAM (CH) Pacific	SF	1548.00
GARTMORE FUND MANAGERS INT.		
45,La Motte Street, JERSEY 0534 27301		
CAPITAL STRATEGY FD. LTD.		
(d) Sterling Deposit	£	1.020
(d) US$ Deposit	$	1.035
(d) DM Deposit	DM	5.107
(d) Yen Deposit	Y	507.20
(d) Sw. Fr. Deposit	SF	5.114
(d) Austr.Dollar Dep. fd	A$	1.063
(d) French Franc Deposit fd	FF	10.31
(d) N. American	$	1.64
(d) Japan	Y	680.00
(d) Pacific Basin	Y	308.00
(d) International growth	$	2.84
(d) British	£	2.28
(d) Sterling Gilt	£	1.08
(d) International Bond	$	1.21
(d) Yen Convertible bond	Y	2876.00
(d) European Fund	DM	5.78
(d) E.C.U. Fund	ECU	0.99
(d) Australasian fund	A$	0.35
(d) Canadian fund	Can$	0.96
(d) Emerging Markets Fund	$	1.19
(d) Global Resources Fund	$	0.76
GEFINOR FUNDS		
London:01-4994171; Geneva:41-22355530		
(w) East Investment Fund	$	990.31
(w) Scottish World Fund	£	202.0465
(w) State St. American	$	298.8555
GENERALE BANK		
(see also Interselex Group)		
(d) Rentinvest	$	26.86*
(d) Capital Rentinvest	$	116.19
(d) Rentinbel Distr.	LF	10,046.00*
(d) Rentinbel Cap.	LF	10,567.00
GLOBAL ASSET MANAGEMENT CORP.		
11 Athol St,Douglas,I. of Man.44-624-26037		
(w) Futurgam S.A.	$	161.73
(w) GAM Arbitrage Inc	$	243.61
(w) GAMerica Inc	$	243.64
(w) GAM Australia Inc.	$	140.28
(w) GAM Asean Inc	$	141.01*
(w) GAM Boston Inc	$	174.30
(w) GAM Ermitage	$	27.29
(w) GAM European Inc.	$	107.86
(w) GAM Franc-Val Inc.	SF	250.70
(w) GAM France Inc	FF	1421.76
(w) GAM Global Fund	$	120.40
(w) GAM High Yield Inc.	$	109.73
(w) GAM Hong Kong Inc.	$	182.89*
(w) GAM International Inc.	$	159.63
(w) GAM Japan Inc.	$	392.57
(w) GAM Money Mkts. Fund	$	100.45*
(w) GAM Money Mkts. Fund	£	100.76
(w) GAM Money Mkts. Fund	SF	100.34
(w) GAM Money Mkts. Fund	DM	100.34*
(w) GAM Money Mkts. Fund	Y	10,022.00*
(w) GAM Pacific Basin Fund	$	114.66
(w) GAM Pacific Inc	$	456.56
(w) GAM Restr. Fd. Inc.	$	164.83*
(w) GAM Singapore/Malay Inc	$	195.46
(w) GAM Swiss Fr Spec Bond Fd	SF	99.06
(w) GAM Value Inc	$	105.47
(w) GAM Worldwide Inc	$	437.78
(w) GAM Tyche S.A. Class A	$	177.72
(w) GAM U.S. Inc	$	148.34
(w) GAM Whitehorn Fund Inc	$	131.64
(w) GAM ut Inc	$	269.34
(w) GSAM Composite Inc	$	217.63*
(w) GSAM Int. Inc.U.S Ord.	$	110.58*
(w) GSAM Int. Inc.U.S Spe.	$	123.77*
(w) GSAM Interest Inc.	SF	95.77*
(w) GSAM Interest Inc.	£	100.51*
(w) GSAM Interest Inc.	DM	94.54
(w) GSAM Interest Inc.	Y	11,874000*
G.T. MANAGEMENT PLC		
(r) G.T. Applied Science	$	13.91
(d) G.T. ASEAN Fund	$	43.96
(d) G.T. Asia Fund	$	12.81*
(d) G.T. Australia Fund	$	29.42*
(d) G.T. Berry Japan Fund	$	33.93
(d) G.T.Biotechn./Health Fund	$	8.77
(d) G.T. Bond Fund	$	14.73*
(d) G.T. Britain Fund	£	8.78
(d) G.T. Deutschland Fund	DM	11.18
(d) G.T. Dollar Fund	$	20.83*
(d) G.T. Europe Fund	$	29.34
(w) G.T. Euro. Small Cos. Fund	$	30.23
(d) G.T.Global Small Cos.Fund	$	12.96
(d) G.T.Global Technology Fd	$	15.42*
(d) G.T. Hong Kong Fund	$	22.49*
(d) G.T. Honshu Pathfinder	$	10.14
(d) G.T. Investment Fund	$	11.02
(d) G.T. Japan Sml Co.Fd	$	10.81*
(w) G.T. Nat Res. Fd Gold Class	$	6.62
(d) G.T. Newly Ind. Countr. Fd	$	28.41
(d) G.T. Select Dollar Bd Pfl	$	9.50
(d) G.T. Select Intl Bd Pfl.	£	9.84*
(d) G.T. Select Gilt Pfl.	£	8.66*
(r) G.T. Technology Fund	$	31.97
(d) G.T. U.K. Small Companies	£	10.71
(d) G.T. Univ.Growth Fund	$	10.17
(d) G.T. U.S. Small Companies	$	12.65
HILL SAMUEL INVEST. MGMT. INTL S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
(d) Crossbow (Far East)	SF	17.86
(d) CSF (Balanced)	SF	38.11
(d) European Equity Fund	DM	17.95
(d) Intnl. Bond Fund	$	12.87
(d) Int. Currency U.S.Manag'd	$	26.10
(d) ITF Fd (Technology)	$	20.12
(d) O'Seas Fd (N. AMERICA)	$	49.12
(d) Int. Currency U.S.	$	32.11
IAM, 2 Bd. Royal LUXEMBOURG		
(d) Iam Flagship Fund	ECU	86.46
(w) Iam Bonds Fund-France	FF	553.25
(w) Iam Bonds Fund-Deutschl	DM	213.44
(w) Iam Bonds Fund-Japon	Y	10,946.00
(w) Iam Bonds Fund-Switz.	FS	208.28
(w) Iam Bonds Fund-U.S.A	$	109.30
(w) Iam Bonds Fund-Europe	ECU	112.93
(w) Iam Bonds Fund-Netherl.	FL	214.06
(w) Iam Europe global	ECU	100.06
(w) Iam Europe luxe	ECU	101.08
(w) Iam Europe 90/10	ECU	100.12
(w) Iam Europe 1992	ECU	101.37
(w) Iam Europe du Sud	ECU	102.95
INTERSELEX GROUP		
(d) Int.America Fund	$	16.47
(d) Int.Belgo Fund	LF	3170.00
(d) Int.Europa Sicav	LF	6717.00
(d) Int.Pacific Fund	$	1255.73*
(d) Int.World Fund	$	77.15*
ISLAMIC MGMT FUND LTD	$	957.73
CSFB Fund Mgmt Ltd (0481-713996)		
PB122 St. Peter Port,Guernsey		
JARDINE FLEMING, GPO Box 11448 Hg Kg		
(d) J.F Japan Trust	Y	16,787.00
(d) J.F Pacific Sec. Trust	$	26.72
(d) J.F Pacific Income Trust	$	84.53
(d) J.F Hong Kong Trust	$	57.59
(d) J.F European	$	10.45
(d) J.F International	$	13.43
(d) J.F Glb Convertibles Trust	$	11.66
LLOYDS BANK PLC, POB 438, Geneva 11		
Mrs. C. Bertelletti,(22) 208611/ext. 2222.		
+(w) Lloyds Int'l Dollar	$	113.90
+(w) Lloyds Int'l Europe	SF	185.80
+(w) Lloyds Int'l Growth	SF	225.10
+(w) Lloyds Int'l Income	SF	286.50
+(w) Lloyds Int'l N. America	$	153.90*
+(w) Lloyds Int'l Pacific	SF	243.70
+(w) Lloyds Int'l. Smaller Cos	$	17.91
MAN INTERNATIONAL FUTURES		
(m) Alubat Mint Gld.Fund.Ltd.	$	N/C
(m) Mint Limited - Ordinary	$	39.34
(m) Mint Limited - Income	$	14.60
(m) Mint Gtd Ltd - Spec Issue	$	20.79
(m) Mint Gtd Ltd - Series A	$	29.27
(m) Mint Gtd Ltd - Nov 1993	$	18.51
(m) Mint Gtd Ltd - Jan 1994	$	14.75
(m) Mint Gtd Ltd - Dec 1994	$	13.03
(m) Mint Gtd Ltd - Aug 1995	$	10.60
(m) Fame Mint Gtd Plc	$	113.32
(m) Mint Sp Res Ltd (BNP)	$	103.17
(m) Newcastle Guaranteed Ltd	$	10.91
MAGNUM FUTURES FUND LTD.		
(m) Sterling Class	£	4.86
(m) U.S Dollar Class	$	9.69
MERRILL LYNCH		
(d) Dollar Assets Portfolio	$	1.00
(d) First Convertible Sec. Fd	$	11.91
(d) Global equity Portfolio	$	10.43
(d) Iberia portfolio	$	11.07
(d) Multi-Curr. Bond Portfolio	$	13.45
(d) U.S.A Income Portfolio	$	9.43
(d) US Federal Securities	$	9.95
(d) World Nat Res Pfl. Share A	$	10.67
(d) World Nat Res Pfl. Share B	$	10.63
GLOBAL CURRENCY PORTFOLIOS		
(d) Australian Dollar Pfl.	$	10.54
(d) Deutschmark Portfolio	DM	10.22
(d) Pound Sterling Portfolio	£	10.39
(d) US Dollar Portfolio	$	10.46
(d) Yen Portfolio	Y	1012.00
MIM BRITANNIA,POB 271, St. Helier, Jersey		
(d) Int.High Income	$	2.494
(d) Dollar Man.Curr	$	14.51*
(d) Dollar Man. Port	$	2.170*
(d) Sterling Man.Port	£	1.824*
(d) Pioneer Markets	£	2.783*
(d) U.K. Growth	£	1.128
(d) Amer. Inc. & Growth	$	1.382*
(d) Gold & Prec. Metals	$	0.986
(d) Sterling Man. Curr.	£	17.56
(d) Japan Dollar Perf. Fd	$	4.212
(d) Jersey Gilt	£	0.1093
(d) Ocean Global Strat	$	17.17
(d) Asia Super Growth Fund	$	12.34
NIMARBEN		
(w) Class A	$	144.44
NMB BANK,PO 1800,1000 BV Amsterdam.		
(w) The Brazil Fund	$	2.236
(w) NMB Dutch Fund	FL	38.28
NOMURA INVEST BANKING (M.E) E.C.		
(d) Nomura Gulf Fund	$	10.11
OBLIFLEX LIMITED		
(w) Multicurrency	$	20.51
(w) Dollar Medium Term	$	16.32
(w) Dollar Long Term	$	15.87
(w) Japanese Yen	Y	25.93
(w) Pound Sterling	£	15.48
(w) Deutsche Mark	DM	12.96
(w) Dutch Florin	FL	13.00
(w) Dutch Florin Multi.	FL	10.48
(w) Swiss Franc	SF	11.09
(w) Swiss Multicurrency	SF	12.55
(w) European Currency	ECU	14.21
(w) Convertibles	$	11.05
(w) Swiss Multi-dividend	SF	10.20
PARIBAS-GROUP		
(d) Belux Fund	LF	10,917.00
(d) Cortexa International	$	133.47
(d) Ecupar	ECU	1,368.41
(d) Far East Growth Fund	$	143.01
(d) Luxor	$	8.34
(d) Moneyflow	LF	10,134.00
(d) Parsurope Growth	$	21.12
(d) Parinter Fund	$	223.93
(d) Par US Treas. Bond 'Cl B'	$	151.51
(d) Eurosheik	ECU	196.00
(d) Paribas-Rente 'A'	LF	1,316.00
(d) Paribas-Rente 'B'	LF	1,411.00
(d) Obli-Franc	FF	1,205.24
(d) Obli-DM 'A'	DM	1,161.71
(d) Obli-DM 'B'	DM	1,296.83
(w) Obligestion	SF	91.25
(w) Obli-Dollar 'A'	$	1,271.77
(w) Obli-Dollar 'B'	$	1,298.67
(w) Obli-Yen 'A'	Y	108,055.00
(w) Obli-Yen 'B'	Y	114,071.00
(w) Obli-Gulden 'A'	FL	1,061.24
(w) Obli-Gulden 'B'	FL	1,121.05
(w) Parsuisse	SF	1,568.70
(w) Parjapan	Y	3,465.00
PERMAL GROUP		
(m) Drakkar Growth	$	2844.27
(m) Nascal Ltd	$	1282.51
(m) Select Equities Ltd	$	925.80
(m) Special Opportunities Ltd	$	1635.30
(m) Updyke Ltd	$	259.11
(m) Value N.V.	$	2060.55
PIERSON,HELDRING & PIERSON N.V.		
POB 243,1000 AE Amsterdam (20-211188)		
(w) Asia Pac. Growth Fd N.V.	$	37.61
(w) DP Amer. Growth Fd N.V.	$	25.36
(w) DP Energy Resources	$	41.34
(w) Europe Growth Fund N.V.	FL	57.95
(w) Japan Diversified Fund	$	53.20
(w) Leveraged Cap Hold	$	334.65
(w) Tokyo Pac. Hold. N.V.	$	249.54
PUTNAM		
(d) Emerging Hlth Sc. Trust	$	12.95
(d) Putnam Em. Info. Sc. Tr	$	15.74
(d) Putnam Int'l Fund	$	11.02
ROBECO GROUP		
POB 973, Rotterdam (10-4650711)		
(d) Robeco	FL	108.50
(d) Rolinco	FL	107.00
(d) Rorento	FL	62.20
(d) Rodamco	FL	159.08
ROTHSCHILD AST.MGT.		
(w) Tokyo Pac. Hold. (Sea)	$	185.23
ROYAL B. CANADA,POB 246,GUERNSEY		
+(w) RBC British Fund Ltd.	£	6.02*
+(w) RBC Canadian Fund Ltd	C$	15.16*
+(w) RBC European Fund	$	12.39
+(w) RBC Far East&Pacific Fd	$	39.10
+(w) RBC Int'l Capital Fd	$	54.45
+(w) RBC Int'l Bond Fund Ltd.	$	12.32
+(d) RBC Man.Currency Fd	$	38.46
+(w) RBC North Amer. Fd	$	15.71
ROYAL TRUST ASSETMIX FUND		
Lux.Tel.:(352)489061		
EQUITY FUNDS		
(d) Alpha UK	£	1.27
(d) Alpha US$	$	1.26
(d) Alpha Worldwide	SF	5.49
(d) Alpha Japanese	Y	1037.00
(d) Alpha Pacific Rim	$	1.10
(d) Alpha European	ECU	1.12
(d) Gold Share	$	0.99
BOND FUNDS		
(d) Sterling Pound	£	104.52
(d) US$ Bond	US$	109.98
(d) Deutschmark Bond	DM	51.08
(d) Alpha Worldwide	SF	56.65
RESERVE FUNDS		
(d) Sterling Reserve	£	10.790
(d) US$ Reserve	$	10.490
(d) Deutschmark Reserve	DM	10.297
SHEARSON LEHMAN HUTTON		
(d) Oporto Growth Fund	$	9.125
INTERNATIONAL PORTFOLIOS (IP)		
(d) IP Global Balanced	$	10.81
(d) IP Precious Metals	$	8.91
(d) IP Global Bond	$	10.24
(d) IP US Share	$	11.46
(d) IP Global Equity	$	11.39
(d) IP Pacific Equity	$	10.50
(d) IP Euro Equity	$	11.85
(d) IP US Govt-securities	$	10.98
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
(w) Equity Intl Acc	$	11.06
(w) Equity Intl Inc	$	10.34
(d) Equity Global	$	1.02
(w) Equity Far East	$	1.72
(w) Equity Gold	$	0.87
(w) Equity Japan	Y	119.00
(w) Equity Nordic	$	1.18
(d) Equity U.K.	£	1.11
(d) Equity Continental Europe	$	1.06
(d) Equity Mediterranean	$	1.09
(d) Equity North America	$	1.10
(d) Bond DEM	DM	0.98
(w) Bond Intl Acc	$	7.67
(w) Bond Intl Inc	$	6.40
(d) Bond Sweden	SEK	10.03
(d) Bond Dollar	$	0.99
(w) High Income Acc	$	1.01
(w) High Income Inc	$	0.91
(w) Multicurrency	$	1.0518
(d) FRF	FF	1.02
SOCIETE GENERALE GROUP		
(w) SF Fund		
(w) SF Bonds A U.S.A	$	11.60
(w) SF Bonds B Germany	DM	21.71
(w) SF Bonds C France	FF	85.92
(w) SF Bonds D Switz.	SF	28.00
(w) SF Bonds E G.B.	£	8.14
(w) SF Bonds F Japan	Y	1637.00
(w) SF Bonds G Europe	ECU	11.55
(w) SF Bonds H World Wide	$	11.40
(w) SF Bonds J Belgium	BF	550.00
(w) SF Eq. K North America	$	11.69
(w) SF Eq. L W. Europe	ECU	12.03
(w) SF Eq. M Pacific Basin	YEN	1601.00
(w) SF Eq P Growth Countries	$	10.45
(w) SF Equities Q Gold Mines	$	9.99
(w) SF Equities R World Wide	$	11.38
(w) SF Short Term S France	FF	110.77
(w) SF Short Term T Eur.	ECU	10.81
SODITIC ASSET MANAGEMENT INC.		
(d) SAM Diversified Inc.	$	103.51
SVENSKA HANDELSBANKEN S.A.		
146 bd de la Petrusse.L-2330 Luxembourg		
(b) SHB Bond Fund	$	42.09
(w) Svenska Select.Fd Intl Sh.	$	50.59
(w) Svenska Select.Fd America Sh	$	11.36
(w) Svenska Select.Fd Asia Shares	$	9.15
SWISS BANK CORP. (ISSUE PRICES)		
(d) AmericaValor	SF	491.25*
(d) AngloValor	£	193.57*
(d) Asia Portfolio	SF	580.14
(d) Convert Bond Selection	SF	101.56
(d) Dollar Bond Selection	$	137.27*
(d) D-Mark Bond Selection	DM	118.21*
(d) Ecu Bond Selection	ECU	102.29*
(d) Florin Bond Selection	FL	120.05*
(d) FranceValor	FF	1809.49*
(d) GermaniaValor	DM	487.76*
(d) Gold Portfolio	SF	514.27
(d) ItalValor	Lit	495,045.00*
(d) Japan Portfolio	SF	400.25*
(d) SBC US$ MMF	$	5671.01
(d) SBC 100 Index Fund	SF	1216.00
(d) Sterling Bond Selection	£	107.49
(d) Swiss Foreign Bond Selec	SF	107.73*
(d) Swissvalor	SF	405.50*
(d) Universal Bond Select.	SF	81.25*
(d) UniversalFund	SF	128.24*
(d) Yen Bond Selection	Y	11,836.00
THORNTON MANAGEMENT LTD.		
(d) Thornton Int opps.fund	$	2.00
(d) Pacific Invt. Fd. S.A.	$	10.23
(d) Pac.Invt. Warrants Fd.S.A.	$	5.23
(d) Thornton Kangaroo Fd Ltd.	$	10.91
(d) Thornton European Fund	$	6.56
(d) Thornton HK & China	$	10.33
(d) Thornton Japan Fund Ltd	$	26.82
(d) Thornton Orient.Inc. Fd Ltd	$	20.91
(w) Thornton Phil. Redev. Fd	$	41.20
(d) Thornton Tiger Fund Ltd	$	27.17
(d) Thor.Pacific Tech.Fd Ltd	$	12.33
(d) Thor.LIH. Dragons Fd Ltd	$	19.27
(d) Thor.Golden Opport.Fd	$	6.59
(d) Eastern Crusader Fund	$	8.55
(w) The Global Access Fund	$	9.69
T. Rowe Price Associates Inc.		
(m) T. Rowe Price Frontier Ltd.	$	10.13
TYNDALL INT'L GUERNSEY LTD		
Tel.0481 27963		
(d) Amer Spec Sits	$	44.57
(d) Eurobond	$	28.25
(d) Mortgage	C$	13.13
(d) Overseas	$	28.02
(d) Tiger	$	37.45
(d) High Yield Bond	£	69.00*
(d) Marunouchi	$	73.20
(d) Far Eastern	$	558.90
(d) Gilt	£	504.20
(d) Mod Currency-Dollar	$	1.396
(d) Mod Currency-Stlg	£	107.00
(d) 1992	£	268.70
(d) Wall Street	£	252.90
(d) HI Inc Gilt & Bulldog	£	102.40
UEBERSEEBANK, ZURICH		
(d) B-FUND	SF	987.000
(d) M-FUND	SF	1104.70
(d) M-Distribution	SF	103.94
(d) UBZ Euro-Income Fund	SF	10.27
UNION BANK OF SWITZERLAND		
(d) Bond-Invest	SF	64.00*
(d) Brit-Invest Shares	SF	814.00
(d) D-Mark-Invest Bds	DM	216.20
(d) Dollar-Invest Bds	$	117.20
(d) ESPAC Spanish sh	SF	220.50*
(d) Eurit	SF	345.50
(d) Fonsa Swiss Sh.	SF	221.50
(d) Francit Shares	SF	217.50
(d) Germac Shares	SF	219.00
(d) Globinvest Shares	SF	119.00
(d) Gold Invest Shares	SF	241.50
(d) Holland-Invest Sh.	SF	241.50
(d) Itac Shares	SF	225.00
(d) Japan-Invest Sh.	SF	1661.50
(d) Sima (stock price)	SF	240.50*
(d) Skandinavien-Invest	SF	275.50
(d) UBS Money Mkt Inv.	$	5291.49
(d) Yen-Invest Bonds	SF	1056.00
UNION INVESTMENT Frankfurt		
(d) Unirenta	DM	40.90
(d) Unifonds	DM	33.40
(d) Unirak	DM	81.00
(d) Unizins	DM	114.25
THE UNIVERSAL GROUP OF FUNDS		
(m) Canada Gtd-Mortgage Fd.	C$	12.56
(d) Univers Sav Amer	C$	10.48
(d) Univers Sav Equity	C$	12.51
(d) Univers Sav Global	C$	5.43
(d) Univers Sav Pacific	C$	8.78
(d) Univers Sav Nat. Res	C$	6.46
VHOYTEMA & CHAUSSEE Brussels 5118933		
(m) VH&C Managed Fut. Index	$	185.00
Other Funds		
(b) Abacus Guart.Fd.Mar.'94	$	10.17
(r) Actlcroissance	F	475.54
(d) Actifinance Intl	$	842.57
(w) Actigestion	FF	1126.98
(w) Activest Intl	DM	22.50
(d) Amvabel	FL	94.60
(w) Aquila International Fund	$	255.38
(d) Ariane	$	3,448.36
(d) Atlantic Fund	$	100.04
(d) Atlas Fund	SF	121.02
(d) Australia Fund	$	14.64
(d) Bahamas Superfund	$	961.00
(d) Bleu Marad Bond Fund	$	188.22
(d) Bera Norden Sicav	$	150.02
(d) Berg Trust Sicav	$	100.87
(d) Bergen Int'l Fund	$	11.39
(d) Bever Beleggingen++	$	25.50
(m) Bonar Currency & Int.	$	87.20
(w) Bondselex-Issue Pr.	SF	118.10
(d) J Capel guaranteed Fund	$	9.84
(w) CAPI Investment Fund	$	1279.89
(d) Cash Gestion	FF	9524.17
(d) CB German Index Fund	DM	118.63
(m) Cleveland Offshore Fd.	$	33.48
(w) Columbia Securities	FL	110.98
(m) Commod. Gtd. Fund/USA	$	8.46
(m) Conqueror Fund Ltd	$	100.29
(m) Convert. Fd. Int'l A Certs	$	18.28
(w) Convert. Fd. Int'l B Certs	$	82.22
(m) Cumber Intl N.V.	$	241.05
(w) Daiwa Japan Fund	Y	9353.00
(w) D.G.C.	$	188.02
(w) DIVERSIF. BOND FUND	$	93.67
(d) D-mark-Baer Bond Fd.	DM	1051.80*
(d) Dollar-Baer Bond Fd	$	1148.00*
(w) D. Witter Wld Wide Ivt Tst.	$	12.57
(d) Dreyfus America Fund	$	16.84
(d) Dreyfus Fund Int'l.	$	62.42
(w) Dreyfus Intercontinent	$	62.36
(w) Esprit Sicav	ECU	1198.78*
(d) Espirito Sto Inv M Sth Eur Fd.	$	10.54
(d) Europe Obligations	ECU	74.25
(w) Fairfield Int'l Ltd.	$	134.15
(w) Fairfield Strat. Ltd.	$	25.25
(d) First Eagle Fund	$	35,763.51
(w) F.I.T. Fund ff	FF	108.35
(d) Fonditalia	$	75.82
(w) Fonselex Issue Pr.	SF	198.85
(d) Forexfund Limited	$	9.20
(d) Formula Selection Fd.	SF	75.70
(d) Frankl-Trust Effekten Fd	DM	139.40
(d) Frankl-Trust Interzins	DM	42.28
(w) Future Div.Fund	$	26,480.00
(w) George V INV. BOND F.	$	17.76
(m) German Sel. Associates	DM	2146.11
(d) Green Line France	FF	677.49
(w) Haussmann Hldgs. N.V.	$	271.59
(w) Health 2000 Ltd	$	10.01
(w) Hestia Funds	$	148.04
(w) Horizon Fund	$	1846.24
(w) Ibex Holdings Ltd.	SF	180.87
(w) IFDC Japan Fund	YEN	46,393.00
(r) ILA-IGB	$	6.51
(r) ILA-IGS	$	9.97
(m) IncAmerica N.V.	$	14.42
(m) IncAsia N.V.	$	10.67
(w) Interecu Fund	ECU	1198.42
(m) Interface Fund Ltd.	$	148.60
(d) Interfund SA	$	38.32
(w) Intermarket Fund	$	393.88
(r) Int'l Securities Fund	$	22.92
(w) Intersec SA	$	3477.34
(d) Investa DWS	DM	70.27
(r) Invest Atlantiques	$	14.80
(w) Inpremet	$	10.10
(r) Italfortune Int'l Fund SA	$	43.99
(m) Japan Selection Asses.	Y	9,827.00
(w) Japan Selection Fund	$	282.29
(w) Japan Pacific Fund	$	309.08
(w) Kleinwort Bens. Jap. Fd.	$	243.80
(d) KML-II High Yield 21/07/89	$	922.73
(w) Korea Growth Trust	$	42.40*
(w) LACO International	$	7.44
(d) Liquibaer	$	1751.00
(m) London Portfolio G'td. I.	$	98.37
(m) London Portfolio G'td. II.	$	9.92
(w) Luxfund	$	102.38
(m) Lynx Sel.Holdings	SF	126.93
(w) ML Morgens Lv HI Yld.Inv.NV	$	10.46
(d) Mediolanum Sel. Fd.	$	39.69
(d) NCA FUND	$	11.20
(w) Nippon Fund	$	109.00
(m) NMT Asian Sel. Portfolio	$	177.12
(m) NMT Citadel Bond	SF	112.32
(m) NMT Nastec Portfolio s/s	$	105.85
(d) NM Inc. & Growth Fund	$	15.88
(d) Nomura-Cap Int Eq Fd	$	13.88
(d) Nordmix	Lit	11129.00
(m) NSP F.I.T.	$	272.50
(m) Oppenheimer U.S.Arb.	$	133.67
(m) Overlook Performance	$	1197.06
(d) Pacific Nies Fund	$	10.10
(d) PAM Futures Trad.	$	844.37
(w) Pancurri Inc.	$	127.47
(w) Prosp. I.H.Inc.P.F.07/07/88	$	9.46
(w) Protected Perfor. Fund	$	0.71
(w) Quantum Fund N.V.	$	13730.63
(w) Res.(Guernsey) Dol.Inc.fd	$	9.74*
(w) Samurai Portfolio	SF	342.10
(d) Sanyo Kle.Spain Fd	$	10.86
(d) Sarakreek Holding n.v.+++	$	30.40
(d) SCI/Tech. SA Luxembourg	$	18.39
(d) Spectrofund Ltd.	$	16.62x
(w) SP International S.A.	$	4860.45
(d) Strat Int'l Gold Fund S.A.	$	6.46
(w) Sussex Silverman	$	1001.00
(w) Techno Growth Fund	SF	66.19
(d) Templeton Glob Inc.	$	10.07*
(w) The Petrus Fund Ltd.	$	1.053
(m) TIIC(O.T.C)Jap.ld Sicav	$	9.25
(w) Transpacific Fund	Y	35689.00
(w) Trans Europe Fund	FL	76.98
(w) Tudor B.V.I Futures LTD	$	4871.24
(d) Turquoise Fund	$	211.58
(w) Tweedy,Browne n.v.Cl.A	$	3658.49
(w) Tweedy,Browne n.v.Cl.B	$	1932.63
(m) Tweedy,Browne (U.K.) n.v.	$	1397.59
(d) Unico Inv.Fund	DM	77.04
(d) Unico Equity.Fund	DM	64.49
(d) Uni Bond Fund	ECU	1518.17
(r) Uni Capital Fund	$	1675.25
(d) Univers Bonds	DM	132.22
(w) Vanderbilt Assets	$	17.48
(w) Vesper Flux	FF	1,081.82
(w) Vesper Tr 'A'	FF	1010.12
(d) Vesper Tr 'B'	FF	
(d) Vesper Tr 'C'	FF	1376.71
(w) Vesper Tr 'D'	FF	982.32
(d) Victoria Fund	$	23,000.00
(w) Willerbond Capital	$	14.16
(d) World Fund S.A.	$	11.54
(d) World Balanced Fund S.A.	$	11.56
(m) Zweig Int'l Ltd	$	87,553.00

A$ - Australian Dollars; BF - Belgium Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; e - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority

Be sure that your fund is listed in this space daily. Telex Simon OSBORN at 613595F for further information.

Floating-Rate Notes

July 24

Dollars

Issuer/Mat.	Coupon	Next	Bid	Askd
Cba Perp New	10.06	22-08	99.82	99.93
Bk Greece Mar 99	10¼	08-09	99.72	99.82
Ritwa Perp	10.66	18-09	99.86	99.96
St Of Victoria Jun04	9.55	27-12	99.88	99.98
First Interstate 94	9.263	08-01	99.60	99.70
Cba Jun 2000	9.388	29-12	99.92	100.02
Mellon Jul 99	9 1/80	16-10	99.62	99.72
Alaska Finance Jul01	8.788	17-01	99.40	99.50
Alberta 93	9.284	13-12	100.08	100.18
Aib Perp	9⅝	22-11	87.75	88.75
Aib Perp Cap	10⅛	28-07	85.00	86.00
American Express 97	9½	29-09	99.00	99.25
Amex Sub DeMar99	9⅝	06-10	98.50	98.75
Anz Perp	10.326	01-10	87.75	88.75
Apas 90	9⅝	18-12	100.30	100.40
Bcl 98	9.275	06-12	98.60	98.80
Bco Di Napoli 97	9¾	14-08	99.00	99.25
Bco Di Napoli 91	10	09-11	99.95	100.05
Bco Santo Spirito 93	10⅛	29-09	99.93	100.03
Bk Ireland Perp	9⅝	08-09	86.00	87.00
Bk Nova Scotia 85	10⅛	24-08	83.75	84.75
Bk Scotland Perp	10⅜	14-11	89.50	90.00
Bankers Trust 2000	9⅝	13-09	98.35	98.60
Bankers Trust 1996	10⅛	16-08	99.35	99.60
Bbl Int 93 (Mthly)	9⅝	21-10	99.25	99.50
Bbl Int 91	9.425	23-12	98.15	98.40
Ba Indosuez 97 New	9⅝	20-11	95.12	100.72
Bice 97 (Cap)	9⅞	22-08	100.12	100.62
Bice Nov 96	9.543	20-11	100.27	100.37
Bq Indosuez 97 (Cap)	10	22-08	100.00	101.50
Bnp 1995 Feb	9⅝	08-08	100.67	100.93
Bnp 97 (Cap)	9⅝	-	100.30	100.60
Bnp 1996 Jun		-	100.00	100.20
Bnp Perp	11.075	25-09	91.25	91.75
Bnp 1991 Sep	10⅛	06-09	100.72	100.82
Bnp 2005 Mthly		17-08	99.41	99.50
Bq Paribas Perp 1	9⅝	13-09	93.75	94.25
Bq Paribas Perp 2	9⅝	13-09	91.37	91.87
Barclays Perp Ser 1	9⅝	05-01	90.75	91.25
Barclays Perp Ser 2	10⅛	17-08	90.12	90.62
Barclays Perp Old	10⅛	08-11	92.87	93.37
Barclays O/S 04	10⅛	08-09	99.20	99.45
Belgium 1996 Jul	9⅝	27-07	99.96	100.06
Belgium 1996A Jan	9⅝	11-01	100.74	100.84
Belgium 1991 Feb	9⅝	21-08	100.18	100.28
Belgium 1994 Oct	10⅛	26-10	100.23	100.33
Bergen Bk Perp	9⅝	-	84.00	85.00
Cibc 2084	9⅝	27-07	90.25	91.25
Cibc 2085	10⅛	17-08	83.75	84.75
Corterst S+L 96	10⅛	13-09	99.81	99.91
Central 97/00	10.10	15-11	99.93	100.03
Central Int 88/91/86	9⅝	31-08	99.70	99.80
Centrust 92/95	9⅝	05-10	99.92	100.02
Centrust Jun 96	9.712	06-12	99.93	100.03
Centrust Sep 96	10.405	13-09	99.46	99.56
Chase 91	9⅝	22-08	99.60	99.85
Chase Man Corp Oo	10⅛	15-08	97.80	98.05
Chase Man 97	10	21-08	99.25	99.75
Chemical 99	9⅝	31-07	98.10	98.35
Chemical Feb97	9⅝	22-08	97.80	98.05
Chemical Oct97	9¾	11-10	97.80	98.05
Christiania Perp	10⅛	08-11	84.00	85.00
Citicorp 2005 Oct	9.6	31-07	97.20	97.70
Citicorp 1996 Sep	9½	21-09	98.70	98.95
Citicorp 1996 Oct	10⅛	31-07	99.00	99.25
Citicorp Perp 1	8⅝	17-10	99.00	100.00
Citicorp 1998 Jan	9.575	31-07	98.30	98.55
Citicorp 1998 May	9⅝	31-08	98.90	99.15
Citicorp 1997 Jan	10⅛	31-07	99.00	99.25
Citicorp Perp 2	9⅝	11-09	94.37	94.87
Citi Federal Aug93	9.8	31-08	99.75	100.00
Citizens Mar 96	10.525	08-09	99.95	100.05
Citi Federal Oct93	9.238	11-10	99.75	100.00
Citvied May 91	10.138	02-08	100.00	100.20
Columbus S+L 96	9⅝	23-11	99.62	99.72
Comalco 93	9⅝	20-09	99.91	100.01
Commerzbk Aug93	9⅝	14-08	99.78	99.88
Cba Perp Old	9.088	11-01	100.09	100.19
Commwlth Australia 98	9⅝	30-11	100.00	100.20
Ccf 97 (Mthly)	9⅝	30-09	99.50	99.60
Cr Du Nord 97	10⅛	27-07	99.93	100.03
Credit Foncier Oct98	10.156	20-10	100.21	100.31
Cr Lyonnais 93/96	10⅛	16-10	100.26	100.36
Cr Lyonnais 1999 Dec	9⅝	29-12	99.70	99.95
Cr Lyonnais Jan92/96	8⅝	-	99.99	100.09
Cr Lyonnais 1997 Cap	10⅛	07-08	99.37	99.87
Cr Lyonnais 93	8⅝	22-01	99.97	100.07
Cr Lyonnais 2000 Jul	8⅝	16-01	98.87	99.12
Cr Lyonnais Jun92/96	9⅝	18-12	100.20	100.30
Csfb Perp	9⅝	21-09	84.00	85.00
Dkb Frcd Sept91	10⅛	20-09	100.08	100.13
Den Danske Bank Perp	10⅛	15-11	90.25	90.75
Dnc Perp (Conv)	10.15	24-08	82.50	83.50
Dnc Perp	9⅝	22-08	83.00	84.00
Denmark Aug96	10.093	31-08	99.45	99.75
Dev Fin Corp Nz Perp	10⅛	30-11	99.00	100.00
Dresdner Fin 93	10⅛	23-10	100.94	101.04
Dresdner Fin 92	10⅛	29-08	100.22	100.32
Dresdner Fin 91	9⅝	08-11	100.04	100.14
East River Aug93	9.8	31-08	99.65	99.75
Enel 00/05 (Mthly)	9⅝	30-11	100.20	100.30
Eni 93	9⅝	25-09	99.90	100.00
Elb Nov 96	9.837	09-11	100.20	100.30
Ferrovie May 97	9⅝	28-12	100.20	100.30
Ferrovie 94	10⅛	29-08	100.38	100.48
Fidelity Fed Oct 92	10⅛	31-07	99.85	100.05
R Fleming Perp	10⅛	30-11	81.75	82.75
Fortune S+L 92	10⅛	27-07	99.93	100.03
Full Bank Frcd Jun92	9.43	27-07	99.86	99.91
Full Bk Frcd June 91	9⅝	27-12	100.01	100.06
Full Bk Frcd Aug91	9/8	22-08	99.83	99.88
Gzb Perp	10⅛	16-11	91.00	92.00
Gt Amer'N 1St Sav 92	10⅛	23-10	100.02	100.12
Hill Samuel Perp	9⅝	30-11	89.50	90.50
Hong Kong Perp 1	10⅛	17-08	83.25	83.75
Hong Kong Perp 2	9⅝	08-09	83.00	83.50
Hong Kong Perp 3	9⅝	16-10	82.50	83.00
Household Jun96	9.65	26-09	100.02	100.12
Hydro 02 (Mthly)	8½	-	99.12	99.42
Hydro Perp	10⅛	11-09	95.62	96.12
Hydro May 05	8⅝	08-11	99.62	99.72
Ireland 1998 Jun	8.97	14-12	99.61	99.71
Ireland 2008 Nov	9½	30-11	99.82	99.92
Italy 05	9⅝	21-12	100.71	100.76
Jp Morgan 1997 May	9⅝	23-08	99.80	100.05
Kleinwort Perp	10⅛	30-11	82.25	83.25
Lloyds Perp 1	9⅝	11-12	88.08	88.58
Lloyds Perp 2	9⅝	31-08	87.75	88.25
Lloyds Perp 3	10.412	31-08	87.25	87.75
Midland Perp 1	9⅝	23-12	87.62	88.12
Midland Perp 2	10⅛	20-09	87.75	88.25
Midland Perp 3	9.162	13-12	86.12	86.62
Midland Frcd Feb 98	9⅝	21-08	100.00	100.05
Midland May 99	10⅛	11-09	98.87	99.12
Mitsubish Frcd Jun91	9⅝	29-12	99.93	99.98
Mitsui Fin 97 (Cap)	10⅛	31-07	100.00	100.50
Mitsui Fin 96	10½	06-07	100.09	100.19
Mon Grenfell Perp	10⅛	29-08	82.00	83.00
Jp Morgan 1997 Dec	9.487	21-09	99.30	99.55
Nab Perp	10.65	11-10	87.75	88.25
Nat Bk Canada 87	10½	31-08	83.75	84.75
Nat West Perp (A)	9⅝	11-01	90.75	91.25
Nat West Perp (B)	9⅝	14-08	90.75	91.25
Nat West Fin 05	10¼	23-10	99.10	99.25
Nat West Perp (C)	9⅝	31-08	90.37	90.87
Nat West Fin Pp Old	10⅛	15-11	92.87	93.37
New Zealand Aug 93	9.813	21-08	99.92	100.02
New Zealand Jun 96	9.547	06-12	100.26	100.36
Northeast Savings 96	9.787	18-08	99.68	99.78
Northeast Savings 95	9⅝	19-12	99.95	100.05
Portugal Dec 93	9.3	08-12	99.89	99.99
Quebec Oct01	10⅛	17-10	99.86	99.96
Rio 94	9⅝	31-08	99.93	100.03
Renle Nov98	9⅝	15-11	100.14	100.24
Rhonepoulenc Perp	9⅝	18-12	94.00	95.00
Rothschilds Perp	11⅝	28-09	82.50	83.50
Rbs Perp	9⅝	13-12	89.50	90.00
Royal Trust Sep85	10.4	11-09	89.50	90.50
Saitama Bk Frcd 91	9⅝	29-12	99.91	99.96
Santa Barbara Aug96	10	16-08	99.90	100.15
Santa Barbara Sep96	9⅝	28-09	99.91	100.01
Sanwa Intl Jan 92	8.787	17-01	100.03	100.13
Sec Pacific 97	9⅝	21-08	98.50	98.75
Soc Gen Tranche 1 96	10⅛	18-09	99.90	100.00
Soc Gen Perp	9.437	31-11	90.75	91.25
Soc Gen Nov94	10⅛	09-11	99.95	100.20
Stand Chart Perp4	9.212	08-01	83.75	84.25
Stand Chart Perp1		08-01	82.50	83.00
Stand Chart Perp3	9.712	04-12	83.75	84.25
Stand Chart Perp2	10⅛	09-11	84.50	85.00
Sis Bk New Feb98	9⅝	14-08	100.42	100.52
St Bk Victoria Perp	10⅛	17-10	95.00	95.50
Taiyo Kobe 97 (Cap)	10⅛	15-08	99.95	100.45
Taiyo 92/04	9⅝	23-11	100.20	100.30
Takugin 92/94	10⅛	20-09	100.14	100.24
Takugin 97 (Cap)	10⅛	11-10	100.00	100.50
Ub Sep96	9½	28-09	100.37	100.24
Vereinwest July 91	8.837	-	99.88	99.98
Wells Fargo 1997 Sep	9⅝	29-09	99.10	99.25
Wells Fargo 1992	9.6	31-07	99.80	100.05
Wells Fargo 2000	9⅝	31-07	98.40	98.45
Wells Fargo 1996	9¾	13-09	99.37	99.87
Wells Fargo 1997 Feb	10⅛	16-08	99.00	99.25
Wells Fargo 1998	10⅛	15-08	99.05	99.20
Westpac Perp	10.962	29-09	88.00	88.50
Woodside Finance 97L	10⅛	28-07	99.84	99.96
Woodside Finance 97F	9⅝	31-08	99.95	100.05
World Bk Perp	8.801	15-09	99.00	100.08
Yokohama 97 (Cap)	9⅝	22-08	100.00	100.50

Pounds Sterling

Issuer/Mat.	Coupon	Next	Bid	Askd
Srf Mort Notes Nat	14.362	29-09	99.96	100.11
Abbey Nat 93 Gb	14.30	05-10	100.17	100.22
Abbey Nat 92/99 Gb	13⅝	17-10	99.99	100.04
Abbey Nat 90 Gb	13⅝	04-08	99.88	99.93
Brad + Bing May 94	14⅛	31-08	99.97	100.02
Moes 2 Jan 2017	14.212	04-08	99.83	99.93
Coll Mort Sec No1 A1	14.297	29-09	99.98	100.00
Coll Mort Sec No1 A2	14.388	29-09	99.90	100.00
Coll Mort Sec No1 A3	14.397	29-09	99.85	99.95
Gracechurch 2019	14.387	29-09	99.96	100.06
Tmc Plmbs Plc No 1	14.305	31-08	99.80	99.90
Northern Rock 92		28-10	99.91	99.96
All + Leic Jul 96		27-10	99.85	99.90
Bristol + West Aug94		02-11	99.88	99.93
Hmc No 04		15-11	99.26	99.56
All + Leic Aug 04		07-11	100.25	100.75
All + Leic Apr 98	13.65	-	100.25	100.75
All + Leic Nov 93	14⅛	31-08	100.07	100.12
All + Leic Jul 94	13.392	-	99.93	99.98
All + Leic May 95	12.943	08-08	99.98	100.03
All + Leic Jul 93		31-07	99.65	99.75
All + Leic Sept 93	14⅛	28-09	100.21	100.26
Anglia Jan 98	14⅛	17-10	100.08	100.13
Anglia Sep96	14.205	25-09	99.98	100.03
Anz Bkg 97 Gb	13¾	22-08	99.75	100.25
Bk Montreal 94 Gb	14⅛	29-09	99.99	100.09
Bq Indosuez 91 Gb	14⅛	30-08	100.16	100.26
B/Ham Midshires 98	14⅛	21-09	99.99	100.04
Brad + Bing Apr98 Gb	14⅛	06-10	100.09	100.14
Bristol + West Oct92	13⅝	-	100.11	100.16
Bristol + West Jul93		-	99.65	99.75
Britannia 93 Gb	14⅛	10-10	100.16	100.21
Britannia 96 Gb	13.412	-	99.97	100.02
Britannia Feb 95	12.975	15-08	99.92	99.97
Chelt/Gloucs Mar94	14⅛	30-08	99.91	99.96
Coop 00	13⅝	-	97.12	97.62
Cr Foncier 00 Gb	14⅛	11-10	100.12	100.22
Domos Mort 1	14.475	06-09	100.38	100.45
Ex Finance 1 Plc	14.362	04-09	100.20	100.35
Ferrovie 95 Gb	12.162	31-07	100.25	100.35
Halifax Oct 92	14⅛	10-10	100.05	100.10
Halifax Feb96	13⅝	23-08	100.13	100.18
Halifax May 94	12.975	09-08	100.11	100.16
Halifax Sep96 Tnch 1	14.08	31-03	100.03	100.08
Halifax Sep96 Tnch 2	13.142	28-09	99.75	99.80
Hmc No 01	14.468	29-09	100.05	100.20
Hmc No 02 Feb 15	13.6	23-08	100.15	100.40
Hmc No 03 Jul 15	14.262	12-10	100.20	100.35
Ill Oct 94	14⅛	17-10	100.02	100.12
Ill Nov 94	14⅛	24-08	100.15	100.25
Ireland 96	14⅛	11-09	100.02	100.12
Leeds Perm Mar 96	14⅛	18-09	100.20	100.25
Leeds Perm Oct 94	14⅛	13-10	100.15	100.20
Leeds Perm B/S 98	14⅛	14-09	100.28	100.33
Lloyds Euro 96 Gb	14	25-08	99.25	99.75
Moes Fund No 1 Jul18	14.325	05-10	100.25	100.40
Midland Bk 01 Gb	12.975	15-08	98.37	98.87
Mlk Mkt Bd 93 Gb	14⅛	29-09	100.02	100.07
Mfc 2 Aug 2023	14.606	21-08	100.28	100.50
Mfc 1 Mar 2020	14.643	29-09	100.25	100.40
Mfc 3 Oct 2023	14.362	02-10	100.05	100.35
Tmc No 02 Nov 14	14⅛	31-08	100.10	100.45
Tmc No 04 May 15	14⅛	31-08	100.10	100.45
Tmc No 01 Sep 14	14.462	28-09	100.00	100.15
Tmc No 06 Oct 15	13.371	01-08	100.15	100.30
Tmc No 07 Nov 15	14.575	31-08	100.20	100.35
Tmc No 08 Dec 18	14.512	20-09	100.25	100.40
Tmc No 10 January 19	14.487	30-09	100.20	100.35
Tmc No 09 Feb 19	14.575	31-08	100.35	100.50
Mort Secs 1	13.331	31-07	100.25	100.40
Tmc No 11 Mar 20	14.462	29-09	100.15	100.30
Nhl 1 Sep 13	14.387	30-09	100.07	100.15
Nhl 2 Oct 14	13.306	31-07	100.00	100.15
Nhl 3 Nov 14	14½	31-08	100.10	100.25
Nbl 4 Oct 15	13.306	31-07	100.05	100.20
Nat Provincial Mar96	14⅛	25-09	100.10	100.15
Nat Provincial 02/97	13	07-08	99.78	100.03
Nat/Ang Bld 14Jul98	14⅛	17-10	100.37	100.87
Nationwide B/S Oct95	14⅛	10-10	100.61	100.66
Nationwide B/S Jul96	13.975	17-10	99.97	100.02
Nationwide B/S Oct96	14.05	27-07	99.71	99.96
Northern Rock Oct95	14⅛	18-10	99.97	100.02
Prudential 95 Gb	14.347	06	100.00	100.10
Resid No 1 Mar 18	13.425	22-09	100.25	100.40
Resid No 2 Jul 18	13.325	27-07	100.20	100.35
Rbs 05 Gb	12⅛	09-08	97.50	98.50
Stand Chart Perp Gb	14⅛	20-08	84.50	85.50
Tmc No 03 Apr 15	13⅝	01-08	100.05	100.45
Tmc No 05 Sep 15	14.537	30-09	100.20	100.35
Woolwich B/S Nov 95	13⅝	22-08	100.00	100.05
Woolwich B/S Jul 93	14⅛	13-10	100.26	100.31
Yorkshire B/S Feb 94	13.807	10-08	99.90	99.95
Yorkshire 91/94 Gb	14⅛	29-09	99.50	100.50

Schillings

Issuer/Mat.	Coupon	Next	Bid	Askd
Austria Mar 01	7.456	08-09	100.12	100.22
Austria Jul 04	81/32	16-10	100.15	100.25
Austria Nov 93	7.456	29-08	100.00	100.20
Austria Apr 97	8⅛	-	100.05	100.25
Austria Jun 99	7⅝	04-09	100.10	100.30
Austria Sep 00	7⅝	05-10	100.10	100.30
Austria 94	8.093	17-10	100.05	100.25

Deutsche Marks

Issuer/Mat.	Coupon	Next	Bid	Askd
Dresdner Fin 94/99	6.593	28-07	99.93	100.08
Eurofima Jul 99	7	05-01	100.25	100.45
Elb Jan 06	6.975	18-12	99.93	100.03
Ltcb Jul 99	6.891	15-01	99.77	99.87
Austria 98 Dm	6⅞	20-08	99.90	100.20
Bk Of China Nov 93	6⅝	08-08	95.00	100.00
Bk Greece 92/95 (Dm)	7⅛	29-12	99.95	100.00
Bnp 92 (Dm)	7⅛	29-12	100.00	100.35
Belgium 97 (Dm)	7⅛	31-08	100.25	100.35
Cibc 95 (Dm)	7⅛	30-11	98.25	98.75
Commerz Oct 95 (Dm)	7⅛	25-10	99.50	100.00
Commerzbk Dec 93	7⅛	15-12	100.00	100.10
C.O.E. 95 Dm	6⅝	12-10	102.00	102.00
Cred Foncier 96 (Dm)	6⅝	17-01	100.45	100.55
Cic Mar 93 Dm	6⅝	20-09	100.29	100.39
Dnc 96 Dm	7⅛	18-01	98.00	99.00
Denmark Stars 96 Dm	7⅛	29-08	100.00	100.25
Dg Bank 96 Dm	7⅛	13-10	98.87	99.37
Dresdner Fin 98 (Dm)	7⅛	24-08	100.05	100.15
Dresdner Fin 98	6.593	28-07	99.95	100.05
Eec 92 (Dm)	6⅝	23-08	100.37	100.47
Elb Dec 98	7⅛	15-12	100.00	100.25
Ikb Fin Nv 95 Dm	7⅛	31-08	98.50	99.00
Jbl 95 Dm	7⅛	30-11	99.00	99.50
Ireland Jul98 (Dm)	6⅝	31-07	99.67	99.77
Ireland 97 (Dm)	7⅛	17-01	100.05	100.15
Ireland (Stars) 98	7.080	11-09	100.12	100.17
Ltcb Nov 95	6⅝	10-11	99.62	99.87
Malaysia 05 (Dm)	7⅛	21-09	94.00	94.50
Midland 98 Dm	7⅛	29-09	98.00	99.00
Mitsubishi 96 Dm	7⅛	11-01	99.00	99.25
Montedison 93 Dm	6⅝	31-10	99.25	99.75
Jp Morgan 95 Dm	7⅛	30-08	98.87	99.37
Renle 96 (Dm)	6.906	18-09	99.50	99.75
Rbc 95 Dm	7⅛	31-08	98.62	99.12
Sec Pac 95 Dm	7⅛	05-12	98.25	98.75
Sweden 97 (Dm)	7⅛	30-11	100.50	100.60
Union Finland 96 Dm	7⅛	10-10	99.00	99.25
Wells Fargo 95 Dm	7⅛	31-08	98.62	99.12

Japanese Yen

Issuer/Mat.	Coupon	Next	Bid	Askd
Cnl 97 Yen		-	100.00	100.50
Cr Foncier Aug97 Yen	4⅝	30-08	100.30	100.60

E.C.U.

Issuer/Mat.	Coupon	Next	Bid	Askd
Belgium May 99	8.781	11-08	99.85	99.95
Roma 92 (Ecu)	8⅝	08-08	99.75	100.25
Cr Foncier 96 (Ecu)	9.375	18-10	99.97	100.12
Ireland 97 (Ecu)	9	30-10	99.50	100.00
Italy 92 Ecu		-	99.95	100.15
Ppcorp 19Sept 97 Ecu	9⅝	21-09	99.25	99.75
Sigobain Perp Ecu	7⅝	-	94.00	96.00

Source : Credit Suisse-First Boston Ltd., London

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(Continued From Back Page)

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FINANCIAL MARKETS

Dollar Mixed in New York Trading

Reuters

NEW YORK — The dollar finished mixed after slow trading here Monday, while the yen slipped against major currencies as the Japanese election outcome added to political uncertainty.

The yen slipped against the dollar and other currencies because of the election that went against Japan's ruling Liberal Democratic Party on Sunday and the announcement by Prime Minister Sosuke Uno that he will resign.

"Sell the yen against everything — that is basically what we're seeing," said Robert Hatcher of Barclays Bank.

At the close, the dollar had edged up to 142.555 yen from Friday's close of 142.225, but it fell to 1.8969 Deutsche marks from Friday's 1.9135.

The pound moved up to $1.6255 from $1.6180.

Against other currencies, the dollar was down to 1.6355 Swiss francs, from 1.6510, and had fallen to 6.4280 French francs, from 6.4885.

The U.S. currency was expected to continue to lack strong direction in the near future.

Dealers were looking to U.S. economic data later this week to jolt the U.S. currency from its recent narrow range, amid signs that even these figures may fail to provide a clear path.

London Dollar Rates

Closing	Mon.	Fri.
Deutsche mark	1.9093	1.9093
Pound sterling	1.6180	1.6220
Japanese yen	143.20	142.18
Swiss franc	1.6445	1.6473
French franc	6.4725	6.4550

Source: Reuters

June U.S. durable-goods orders are due for release Tuesday and preliminary U.S. gross national product figures for the second quarter will be published Thursday.

Durable-goods orders are expected to show a rise from May while the GNP is forecast to show a lower rate of growth than in the first quarter.

In London, the resignation of Mr. Uno hit the yen hard, while the dollar closed mixed.

After a subdued response initially to the loss by the Japanese ruling party in weekend elections, the yen closed against the dollar at 143.20, compared to Friday's 142.18.

The dollar closed at 1.9093 DM, the same as Friday. But the mark was up to 74.98 against the yen, from Friday's 74.43.

"We aren't recommending anybody put money into yen-denominated assets right now," said Russell Jones, senior international economist at Drexel Burnham Lambert.

"Japan is undoubtedly in for a considerable period of uncertainty on the political level," Mr. Jones said, "which suggests the yen will be under pressure for some time. There are so many imponderables."

Among them are the questions of who will succeed Mr. Uno as prime minister, and whether the vote will carry through to future elections.

Analysts view the swing to the opposition, particularly the Japan Socialist Party, from the ruling Liberal Democratic Party, as a public protest vote because of an unpopular sales tax and the involvement of party leaders in political scandals.

Despite the turmoil, Mr. Jones and other dealers said they expect the yen is likely to lose ground only gradually.

Economists said the Japanese economy is remarkably healthy, which should limit yen damage.

The pound weakened, closing at $1.6180 after Friday's $1.6220.

The dollar ended at 1.6445 Swiss francs, below Friday's final 1.6473, and at 6.4725 French francs after Friday's 6.4550.

YEN:
No Drop Foreseen

(Continued from first finance page)

Uno and whether the socialists will be able to force early elections for the more powerful lower house, where the LDP holds a majority.

Mr. Sawa of Kyowa said that much depends on the timing of a move to dissolve the lower house. "If it happens sooner than expected, we could see pressure on the yen." A lower house election so soon after an upper house defeat would deprive the LDP of time to launch an effective campaign. Analysts said that such an election, if held, would likely be be scheduled for November or December.

Shoichi Enkyo, economist at Bank of Tokyo, said political uncertainty is likely to continue to dog the yen, muting the negative effects on the dollar of expectations of softer U.S. interest rates.

"The dollar will probably be firmer than expected," Mr. Enkyo said, "but that is based on the assumption that a lower house election will be called."

In coming weeks, the U.S. Federal Reserve Board is likely to ease interest rates, while Japanese rates will probably rise, slowly shifting sentiment in favor of the yen, said David Pike, economist at UBS/Phillips & Drew International Ltd.

"The Fed will ease interest rates, but as Alan Greenspan said, it will be gradual and cautious," said Mr. Pike. Mr. Greenspan, the Fed chairman, told a U.S. congressional committee last week that the Fed had eased monetary policy slightly at the start of June and again in early July because it saw inflationary pressures waning.

Mr. Greenspan's intimation that the Fed is more concerned with avoiding a recession than with inflation suggested to some analysts that U.S. interest rates are likely to be eased slowly.

Mr. Pike said that, as the U.S. eases interest rates, Japan is likely to tighten its grip on credit to combat inflation and could even boost its discount rate, now at 3.25 percent, by between 0.50 to 0.75 of a percentage point by September.

Japan's political woes are likely to be reflected more in the yen-mark cross rate than the yen-dollar rate, analysts said. They noted that the Bank of Japan, the central bank, has so far lagged behind West Germany's Bundesbank in raising rates. Many traders said they expect the yen to re-test recent yen lows of around 75 to the mark.

Traders also noted that the dollar's recent weakness against the mark is likely to act as an anchor in limiting its strength against the yen.

Tokyo Share Prices Rise After Vote
But Institutional Investors Want a Look at Next Premier

Reuters

TOKYO — The Tokyo stock market applauded news Monday that Prime Minister Sosuke Uno would resign as a sign that the ruling party is serious about cleaning house. But there are enough cobwebs left for institutions to think twice before pouring cash into stocks, brokers said.

The ruling Liberal Democratic Party saw its upper house majority shattered in Sunday's poll and now faces the more crucial lower house elections some time this autumn.

"The question is, will they be able to pick up the pieces and recover their political might?" said Seiichi Tanaka, fund manager for Nissei BOT Capital Management Corp. "Until we see some really positive signs, we can never really be sure if the market as a whole is headed upwards."

The key 225-share Nikkei average gained 193.90 points to 34,093.33 on Monday, passing the 34,000-point level for the first time since hitting the all-time high of 34,266.75 on May 31.

Shares showed losses briefly at mid-morning on media reports that Mr. Uno would resign. That reaction was partly to avoid embarrassing him, some brokers said.

"There were TV cameras around the stock exchange," said one foreign broker. "The major Japanese brokers didn't want to look too celebratory."

But large institutions will stay on the sidelines until they can see more clearly what will happen next, traders said.

"The market wants a hint of the new policies of the next premier," said Akihiro Wada, equity salesman for DB Capital Markets (Asia) Ltd.

However, market players say there could be a brief rally in coming weeks because institutions have large amounts of cash to invest. Many new investment trust funds are scheduled to be set up later this week.

"We might have a short period of relief, and securities houses might seize the opportunity to push and make money," said Nissei's Mr. Tanaka. "But it will be short-lived."

The Japanese parliament will begin its new session within a month and that may provide a respite before political uncertainties once again throw a wet blanket over the market.

"We could see a month of breathing room when the market might want to enjoy itself," said Craig Chudler, market strategist for Smith New Court. "But it's not an environment when you want to pump all your money back into the Tokyo stock market."

Traders said fund managers balancing their books ahead of the September financial half-year end may help underpin the market. Managers of domestic funds do not post losses as long as shares are not sold, and are notorious for refusing to take losses to free up cash for other investments, brokers said.

Traders expect fund managers to dress up portfolios by promoting the stocks they are in, or balancing their overall positions by identifying new themes and buying into those. Investors are looking for anything they can be positive on, said Richard Bruce, fund manager at Jardine Fleming Investment Advisors Ltd.

Market players will watch for signals from the victorious Japan Socialist Party that it is taking up particular issues, such as housing, transport or the unpopular consumption tax.

"If some initiatives can be identified, the market will likely jump onto them very quickly," Mr. Bruce said. "The major need in the market is for something new and fresh."

BIG CROSSWORD
IN THE IHT EVERY SATURDAY.
THE FAMED NEW YORK TIMES
SUNDAY CROSSWORD — ENOUGH
TO KEEP YOU BUSY ALL WEEK

Monday's NASDAQ Prices

Prices as of 4 p.m. New York time.
This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.
Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
A										
[illegible]										
B-C										
[illegible]										
D-E-F										
[illegible]										
G-H-I										
[illegible]										
J-K-L										
[illegible]										
M-N										
[illegible]										
O-P-Q										
[illegible]										
R-S										
[illegible]										
T-U-V										
[illegible]										
W-X-Y-Z										
[illegible]										

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, July 24

Amsterdam

	Close	Prev.
ABN Bank	44.70	45.20
ACF Holding	N.Q.	57
Aegon	105	104.50
Ahold	126.90	126.10
Akzo	141.30	142.50
AMEV	54.50	55.20
A'Dam Rubber	7.20	7.30
Amro Bank	88.30	88.90
Bols	151	151
Buhrmann Tett	66.70	66.70
BVG	29	27
Center Parcs	67.90	[illegible]
CSM	70.10	70
DAF	53.80	54
DSM	126.30	127
Elsevier	77.50	78
Fokker	47	46.70
Gist-Brocades	N.Q.	33.20
Heineken	130.10	131.50
Hoogovens	113.90	115.20
Hunter Douglas	118	116.50
IHC Caland	31	31
Inter Mueller	102	101.70
KLM	51.10	51.50
KNP	55	56.50
Nat Neder	65.50	65.70
Nedlloyd	451	452.50
NMB Bank	262	262
Oce Grinten	307	307
Pakhoed	139.50	139.70
Philips	41.20	41.80
Robeco	108.40	108.10
Rodamco	158.90	158.70
Rolinco	107	106.70
Rorento	62.30	62.10
Royal Dutch	142.70	143.80
Unilever	150.40	150.30
Van Ommeren	46.60	47
VMF Stork	37.40	37.60
VNU	101	102.50
Wessanen	71	71.70
Wolters/Kluwer	48.60	48.90

ANP-CBS Gen'l Index : 198.70
Previous : 191.40

Brussels

	Close	Prev.
Arbed	6370	6400
Bekaert	13925	13925
Cockerill	375	373
Cobepa	5900	5910
Delhaize	5810	5830
EBES	4450	4370
GB-Inno-BM	1372	1370
GBL	4540	4555
Gevaert	8350	8350
Hoboken	17750	17650
Intercom	3535	3515
Kredietbank	4275	4270
Petrofina	12300	12425
Royal Belge	5490	5490
Soc Gen Belge	4270	4210
Sofina	12500	12475
Solvay	13700	13700
Tractebel	9620	9640
UCB	11600	11775
Unerg Ps	2600	2530

Current Stock Index : 6068.87
Previous : 6068.12

Frankfurt

	Close	Prev.
AEG	202.50	203
Allianz Hldg	2155	2175
Altana Ind	422.50	426
Asko Dt. Kfhs	800	809.50
BASF	271	273.50
Bayer	292.80	296
Bay. Hypo bank	435	428
Bay Vereinsbank	417	416
BBC	459	458
BHF	465	479
BMW	606.50	609
Commerzbank	277.20	282.50
Continental	322	327.20
Daimler-Benz	748	751
Degussa	465.50	445.50
Dt Babcock	203.50	206
Deutsche Bank	655	649
Dresdner Bank	351.20	352
Feldmuehle	561	569
Harpener	451	450
Henkel	522.80	522
Hochtief	732	750
Hoechst	296.80	297.10
Hoesch	224.50	232
Holzmann	935	917
Horten	190	197
Hussel	480	482
Ind Wke Karls	386.50	385
Kali Salz	212.50	211
Karstadt	622	627
Kaufhof	526	530
KHD Kloeckner	182.50	185.50
Kloeckner Werke	154	158
Krupp Stahl	214	214
Linde	750	755
Lufthansa	166.50	172
MAN AG	345.50	341
Mannesmann	228	235
Metallgesell	460	462.50
Muench Rueck	2550	2500
Nixdorf	338.50	341
PKI	533.50	532
Porsche	768	766
Preussag	298	302
PWA Papier	298.50	307
RWE	323.50	328.50
Rheinmetall	395	394
Schering	702.80	688
SEL	326	324.50
Siemens	606.70	611.50
Thyssen AG	230.50	233.80
Varta	379	373
Veba	324.50	329.80
VEW	208	213
Viag	350	353
Volkswagen	435	436.50
Wella Vz	601	595

Commerzbank Index : 1906.60
Previous : 1906.70
FAZ Index : 638.40
Previous : 638.88

Helsinki

	Close	Prev.
Amer A	144	144
Enso-Gutzeit	34.50	33.50
K.O.P.	60	60
Kymmene	116	115
Nokia	111	111
Pohjola	285	280
Stockmann	257	254

	Close	Prev.
Utd Paper	117	117
Wartsila	370	371

Unitas Index : 778.20
Previous : 779.00

Hong Kong

	Close	Prev.
Bk East Asia	14.70	14.60
Cathay Pacific	8.50	8.35
Cavendish Int'l	2.95	2.92
Cheung Kong	7.80	7.65
China Light Pwr	11.90	11.90
Dairy Farm Int'l	6.80	6.80
Hang Lung Dev	4.30	4.27
Hang Seng Bank	28.30	28.20
Henderson Land	4.32	4.35
HK Air Eng.	19.30	19.30
HK China Gas	17	17.10
HK Electric Hdgs	7.45	7.55
HK Land Hold.	7.80	7.80
HK Realty Trust	4.80	4.80
HK Shang Bank	5.50	5.55
HK Shai Htls	4.95	4.97
HK Telecomm	4.87	4.87
HK Ferry	4.47	4.52
Hutch Whampoa	7.90	8.05
Hysan Dev	1.32	1.32
Jardine Math.	18.90	19.20
Jardine Strat Hds	10.90	11.10
Kowloon Motor	7.20	7.30
Mandarin Orient	4.37	4.35
Miramar Hotel	5.50	5.85
New World Dev	9.15	9.20
SHK Props	9.25	9.30
Stelux	2.05	2.07
Swire Pac A	15.20	15.50
Tai Cheung Prps	4	4.02
TVE	0.96	0.95
Wharf Hold.	8.10	8.20
Wing On Co	5.80	5.70
Winsor Ind.	8.55	8.50
World Int'l Hdgs	3.52	3.55

Hang Seng Index : 2482.54
Previous : 2495.74

Johannesburg

	Close	Prev.
AECI	1950	1875
Altech	8000	7900
Anglo Amer Corp	9650	9660
Barlows	4225	4225
Blyvoor	1050	1100
Buffels	4700	4750
GFSA	8450	8450
Harmony	1975	1950
Highveld Steel	1975	1950
Kloof	3525	3600
Nedbank Grp Ltd	865	845
Rusplat	6250	6300
SA Brews	2525	2515
St Helena	3800	3800
Sasol	1330	1355
Welkom	2150	2150
Western Deep	13500	13750

Composite Stock Index : 2659
Previous : 2674

London

	Close	Prev.
Allied Lyons	500	507
Am Gold	41.87	N.A.
Anglo Amer Corp	14.40	N.A.
Assoc Brit Foods	384	386
Asda-MFI Gp	191	192
Barclays Plc	474	484
Bass	10.32	10 27/64
B.A.T.	872	884
Beecham Grp	624	629
Blue Circle	568	563
Boc Group	478	528
Boots	286	279
Bowater Ind.	473	513
British Aerospace	707	722
British Airp. Auth	353	356
British Airways	207	209
British Gas	198	195½
British Petroleum	305	307½
British Telecom	291	294½
BTR	[illegible]	418
Burmah Oil	[illegible]	[illegible]
Cable Wireless	485	482
Cadbury Schwep	[illegible]	[illegible]
Charter Cons.	[illegible]	[illegible]
Commerc. Union	[illegible]	[illegible]
Cons Gold Field	14.67	14 25/32
Cookson Group	331	332
Courtaulds	357	361½
Dalgety	346	408
De Beers	14.37	14½
Dixons	191	189
Driefontein	10.12	10⅝
Fisons	425	426
Freegold S	425	426
Gateway	231	232
Gen Accid Fire L	981	973
Genl Electric C	282	282
GKN	427	436
Glaxo	13.50	14 3/32
Grd Metropol Plc	581	586
Great Univ Stores	14.08	14⅝
Guard Ryl Ex	217	222
Guinness Plc	320	327
Hanson Tr Plc	219	229½
Hawker Siddeley	738	734
ICI Plc Stk Uts	12.50	12 17/32
Jaguar Plc	[illegible]	[illegible]
Kingfisher	[illegible]	[illegible]
Land Sec Plc	[illegible]	[illegible]
Legal Gen Grp	343	349
Lloyds Bank Plc	354	361
Lonrho Plc	291	[illegible]
Lucas Ind Plc	[illegible]	[illegible]
Marks Spencer	[illegible]	[illegible]
Maxwell Comm	[illegible]	[illegible]
MB Group New	[illegible]	[illegible]
Midland Bk Plc	345	[illegible]
Natl Westm Bank	[illegible]	315
Pearson Grp	738	741
P and O	[illegible]	[illegible]
Pilkington	[illegible]	[illegible]
Plessey	[illegible]	264½
Prudential Corp	190	196
Racal Electronics	425	428
Randfontein	46.50	46½
Rank Org	940	957
Reed Intl	415	425
Reuters	[illegible]	[illegible]
Rolls Royce	185	192½
Royal Dutch	41.25	41¾
RTZ Corp	586	595
Saatchi	312	314
Sainsbury	283	282
Sears Holds	127	128½
Shell	427	433
STC Plc	381	387
Std Chart Bank	522	528
Storehouse	144	152

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	1030	1030
Bco. Central	990	990
Bco. Santander	830	830
Banesto	1075	1075
CEPSA	493	491
Dragados	619	619
Expl. Rio Tinto	N.Q.	—
Hidroelec. Esp.	439	435
Iberduero	117.75	115.75
Telefonica	191.12	193

General Index : 382.83
Previous : 382.57

London (continued)

	Close	Prev.
Sun Allia Land Ins	395	396½
Tate and Lyle	277	282
Tesco	191	176
Thorn Emi	785	791
T.I. Group	465	472
Trafalgar House	361	368
Trusthse Forte	340	358
Ultramar	334	339
Unilever	633	638
Utd Biscuits	402	407
Vickers	229	229½
War Loan 3½ £	38⅝	38 5/32
Wellcome	452	457

F.T. 30 Index : 1876.60
Previous : 1872.90
F.T.S.E. 100 Index : 2259.10
Previous : 2252.00

Milan

	Close	Prev.
Banca Comm	5040	5200
Bastogi	383	411
Ciga hotels	4550	4610
CIR	6148	6300
Cred Ital	2585	2662
Eridania	6980	7108
Ferruzzi Fin.	3220	3338
Ferruzzi Agr.	2510	2509
Fiat SPA	10890	11200
Generali	43400	44750
IFI	21900	22750
Italcem	12370	12490
Italgas	2301	2250
Italmobiliare	17990	18380
Mediobca	24500	25200
Montedison	2428	2492
NBA	1749	1790
Olivetti	9260	9430
Pirelli	3450	3755
RAS	29900	30650
Rinascente	6060	6150
Saipem	2289	2309
SIP	3210	3291
SME	3721	3785
Snia	3090	3190
Standa	26700	26750
Stet	4420	4510
Toro Assi Risp	22100	22400

a: x100.
MIB Index: 1121
Previous : 1140

Paris

	Close	Prev.
Accor	738	738
Air Liquide	617	617
Av Dassault	651	651
Bancaire	592	597
BIC	753	730
Bongrain	3040	3000
Bouygues	730	729
BSN-GD	736	729
Carrefour	3447	3395
Cerus	430	434
C.G.E.	450.50	448.50
Chargeurs	1175	1161
Club Med	639	639
Dumez	1123	1087
Elf-Aquitaine	511	509
Europe 1	782	766
Gen. Eaux	3025	2019
Hachette	423	420
Havas	1004	1004
Imetal	351	349
Lafarge Coppee	1660	1655
Legrand	3951	4035
Oreal (L')	4465	4434
L.V.M.H.	4080	4123
Matra	361	358.40
Merlin Gerin	4580	4560
Michelin	180.20	179.90
Moulinex	146.30	142.10
Occidentale	862	870
Paribas	497	496
Pernod-Ricard	1445	1427
Perrier	1577	1570
Peugeot	920	1927
Printemps (Au)	722	719
Radiotechnique	575	570
Raff. St. Louis	1341	1350
Redoute (La)	3330	3310
Roussel Uclaf	1920	1915
Saint Gobain	661	657
Sanofi	925	925
Skis Rossignol	1205	1210
Societ. Generale	349.20	357
Suez	349.20	348
Telemecanique	3550	3550
Thomson-CSF	209.50	214
Total	509	515
Valeo	823	815

Bourse trend index : + 0.59%
Previous : + 0.57%

Sao Paulo

July 21

	Close	Prev.
Banco do Brasil	0.65	0.63
Bradesco	0.16	0.16
Brahma	0.03	0.03
Paranapanema	0.08	0.08
Petrobras	1.98	2.16
Varig	0.45	0.43

Bovespa Index: 10882
Previous : 10972

Singapore

	Close	Prev.
Cerebos	5.25	5.20
City Dev.	4.72	4.70
DBS	10.50	10.70
Fraser Neave	10	10.30
Genting	6.25	6.25
Harrisons Plant	1.93	1.88
Haw Par	3.22	3.30
Hume	3.06	3.10
Inchcape	6.40	6.40
Keppel	4.94	4.94
KL Kepong	3.26	3.26
Lum Chang	1.31	1.32
Malayan Banking	6.80	6.80
OCBC	10.20	10.80
OUB	4.40	4.48
OUE	8.50	8.60
Sembawang	4.70	4.72
Shangri-la	8.20	8.20
Sime Darby	3.30	3.28
SIA	14.30	14.20
S'pore Land	13.80	13.90
S'pore Press	8.60	8.60
Sing Steamship	3.78	3.80
Straits Trading	4.04	4.04
UOB	5.75	5.75
United Overseas	2.67	N.A.

Straits Times Ind. : 1358.90
Previous : 1361.91

Stockholm

	Close	Prev.
AGA	255	250
Alfa Laval	690	710
Asea	600	608
Astra-A	327	322
Atlas Copco	397	403
Electrolux B	344	346
Ericsson	598	597
Esselte-A	240	240
Handelsbanken	187	188
Pharmacia-A	215	210
Norsk Hydro	165.50	165.50
Saab-Scania	255	260
Sandvik	350	350
SCA-A	141	145
S.E. Banken	180	186
Skandia Inf-A	250	250
Skanska	255	255
SKF	162	162
Stora	425	425
Swedish Match B	155	162
Volvo	465	465

Affaersvaerlden : 1259.00
Previous : 1256.40

Sydney

	Close	Prev.
ANZ	5.08	5.06
BHP	9.62	9.56
Boral	3.63	3.59
Bougainville	1.78	1.78
Coles Myer	8.46	8.50
Comalco	3.81	3.79
CRA	9.40	9.30
CSR	4.61	4.60
Dunlop	4.83	4.70
Elders IXL	2.98	3
ICI Australia	6.22	6.20
Magellan	1.85	1.85
MIM	2.24	2.26
Nat Aust Bank	6.10	6.12
News Corp	16.25	16.35
N Broken Hill	2.71	2.73
Poseidon	2.25	2.25
QCT Resources	1.50	1.50
Santos	3.94	3.94
Thomas Nation	2.50	2.51
Western Mining	5.82	5.90
Westpac Banking	5.12	5.12
Woodside	2.74	2.75

All Ordinaries Index : 1687.60
Previous : 1683.80

Tokyo

	Close	Prev.
Akai Electr	745	741
Asahi Chemical	1310	1270
Asahi Glass	2280	2280
Bank of Tokyo	1700	1700
Bridgestone	1640	1670
Canon	1810	1820
Casio	1410	1410
Citoh	1040	1030
Dai Nippon Print	2350	2350
Daiwa House	2470	2250
Daiwa Securities	2280	2280
Fanuc	6790	6870
Fuji Bank	3590	3590
Fuji Photo	4360	4400
Fujitsu	1540	1540
Hitachi	1680	1630
Hitachi Cable	1340	1330
Honda	1990	1990
Ito Yokado	4200	4120
Japan Air Lines	15900	15900
Kajima	2200	2160
Kansai Power	4630	4580
Kawasaki Steel	920	927
Kirin Brewery	1990	1910
Komatsu	1290	1280
Kubota	1210	1220
Kyocera	6690	6600
Matsu Elec Inds	2370	2400
Matsu Elec Wks	2190	2150
Mitsubishi Bk	3310	3260
Mitsubishi Kasei	1110	1110
Mitsubishi Elec	1170	1180
Mitsubishi Hev	1250	1260
Mitsubishi Corp	1530	1510
Mitsui and Co	1130	1100
Mitsukoshi	2280	2260
Mitsumi	1000	1000
NEC	1970	1990
NGK Insulators	1630	1660
Nikko Securities	1770	1780
Nippon Kogaku	1530	1530
Nippon Oil	1430	1430
Nippon Steel	855	864
Nippon Yusen	1070	1080
Nissan	1530	1540
Nomura Sec	3240	3220
NTT (Fr Suisse)	17116	16897
Olympus Optical	1500	1520
Pioneer	3910	3930
Ricoh	1270	1270
Sanyo Elec	907	910
Sharp	1480	1500
Shimazu	1570	1580
Shinetsu Chem	1840	1850
Sony	7990	7990
Sumitomo Bk	3440	3400
Sumitomo Chem	965	974
Sumi Marine	1460	1440
Sumitomo Metal	818	825
Taisei Corp	1640	1640
Taisho Marine	1450	1430
Takeda Chem	2270	2350
TDK	6080	6130
Teijin	953	945
Tokyo Marine	2100	2080
Tokyo Elec Pw	5980	5900
Toppan Printing	1780	1790
Toray Ind.	977	977
Toshiba	1380	1400
Toyota	2530	2550
Yamaichi Sec	1800	1800

Nikkei 225 : 34093
Previous : 33899
New Index : 2544
Previous : 2533

Zurich

	Close	Prev.
Adia	8425	8275
Alusuisse	1265	1245
Bank Leu	2980	2970
Brown Boveri	4430	4410
Ciba Geigy	3420	3375
Credit Suisse	2620	2605
Electrow	3080	3080
Fischer	1820	1800
Interdiscount	3275	3250
Jacob Suchard	6980	7000
Jelmoli	2600	2575
Landis Gyr	1130	1125
Moevenpick	5200	5250
Nestle	7825	7815
Oerlikon-B	1150	1170
Pargesa Hld	1800	1800
Roche Holding-B	19025	18925
Sandoz	2300	2250
Schindler	6275	6300
Sulzer	455	455
Surveillance	5400	5500
Swissair	1170	1200
SBC	362	360
Swiss Reinsur	1830	1900
Swiss Volksbank	1835	1800
Union Bank	3880	3790
Winterthur	4790	4750
Zurich Ins	2250	2240

S.B.C. Index : 667.30
Previous : 663.20

Toronto *July 24*

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
22604	Abti Prce	$16⅝	16⅜	16⅞	— ⅛
1600	Agnico E	$9⅞	9⅞	9⅞	+ ⅛
203785	Air Canada	$12⅞	12⅜	12⅛	— ¼
15777	Alt Energy	$18¾	18½	18½	
4370	Alta Nat	$18½	18	18½	+ ½
42411	A Barick	$31⅞	31¾	31¾	+ ⅛
2320	Atco I f	$10¾	10⅝	10⅝	
164783	BCE Inc	$41¾	41⅝	41⅝	+ ⅛
81293	BCED	275	273	274	
13880	BC Gas	$15½	15	15	— ⅛
300	BP Canada	$17¾	17⅝	17⅝	
127800	Bt Bk Nkll	238	230	234	+ 6
383786	Bank N S	$18½	18⅜	18⅜	+ ¼
200	Baton	$13⅞	13⅞	13⅞	
138720	BCE Mobl	$31⅛	30¾	30¾	— ⅛
20900	Bralorne	30	30	30	
10801	Bramalea	$35	34⅞	35	+ ¼
37589	BC Phone	$17⅝	17¼	17½	+ ¼
1627	Brunswk	$11	10¾	10¾	— ⅛
534160	CAE	$13¾	13½	13½	— ⅛
300	CCL A	$11½	11½	11½	+ ¼
196150	CCL B f	$11⅝	11⅛	11⅛	+ ⅛
19150	Cambior	$14½	14¼	14⅜	
55806	Campeau	$16¼	16⅛	16⅛	— ¼
22818	C Nor West	$8¾	8½	8⅝	+ ⅛
23750	C Packrs	$15⅛	14¾	15	+ ¼
92108	Cl Bk Com	$31⅞	31⅝	31⅝	— ⅛
4620	CP Forest	$41⅞	41⅝	41⅝	+ ¼
220046	CP Ltd	$24⅞	24⅝	24⅝	— ¼
67435	CTire A f	$22⅞	22⅝	22⅝	+ ⅛
72	C Util B	$21⅛	21⅛	21⅛	— ⅛
6685	Cantor	$28⅞	28⅝	28⅝	— ¼
1500	Cara	$17⅛	17⅛	17⅛	
1520	Celanese	$30½	30	30½	— ¼
8907	Cntrl Cap	$13⅛	13	13	
215	CHUM	$23⅛	23	23	+ ½
27471	Cineplex	$14	13⅞	13⅞	
107953	Corona A f	$8	7⅞	8	
1100	Crownx	$12	12	12	— ¼
502	Denison A p	$5⅜	5⅜	5⅜	— ⅛
1722	Denison B f	$5	5	5	
13100	Derlan	$12⅞	12½	12⅞	
9700	Dicknsn A f	$5⅝	5¼	5⅝	— ⅛
150	Dicknsn B	$5⅝	5⅝	5⅝	— ¼
57829	Dofasco	$25⅝	25⅜	25½	
1000	Donohue	$13⅜	13⅜	13⅜	+ ⅛
2850	Du Pont A	$26⅝	26⅜	26⅜	— ⅛
3720	Dylex A f	$11⅝	11½	11⅝	+ ⅛
1000	Emco	$11⅝	11½	11⅝	
14400	Equty Svr A	400	395	400	
600	FCA Intl	$9⅛	9⅛	9⅛	+ ⅛
37800	FPI Ltd	$7⅛	7⅛	7⅛	+ ⅛
32159	Ficnbrdge	$27⅞	27½	27½	— ¼
748	Fed Ind A	$15⅞	15¾	15⅞	
152510	Fed Pion	$15⅜	15⅛	15⅛	— ⅛
5300	F City Fin	$30½	30	30½	+ ½
74300	Flet CCan A	$18⅞	18¾	18¾	— ⅛
3130	Flet C Inv	$21⅞	21⅝	21⅝	— ⅛
532	Gendis A	$21⅝	21⅝	21⅝	— ⅛
300	Gibraltar	$9½	9½	9½	+ ½
14600	Goldcorp f	395	390	395	— 5
2000	Graft G	$10¼	10	10¼	
6991	Hayes D	$15⅝	15	15⅝	+ ⅛
36171	Hees Intl	$30½	30⅜	30½	+ ⅛
24659	Hemlo Gld	$15⅞	15	15⅞	
120271	Hollinger f	$15	14⅝	14⅞	
16390	H Bay Co	$32⅛	31⅝	32	— ½
49919	Imasco L	$40	39½	39⅝	— ⅛
6308	Interhome	$48⅞	48	48⅞	+ ⅛
2377	Iosco	$17⅝	17⅝	17⅝	
1800	Ivaco A f	$11⅝	11⅝	11⅝	
8100	Jannock	$18⅞	18⅝	18⅝	
256	Kerr Add	$19	19	19	
65750	Labatt	$26⅝	26⅜	26⅜	— ⅛
1001	Loblaw Co	$14⅛	14	14	— ⅛
22700	Magna A f	$12⅛	12	12	— ⅛
50445	Mclan H X	$14	13⅞	14	
2276	Maritime l	$17⅝	17½	17½	— ⅛
127634	Mark Res	$9⅝	9½	9½	
100	Minnova	$18⅝	18⅝	18⅝	+ ⅛
7514	Molson A f	$37¼	36¾	37¼	
40600	Noranda F	$14⅜	14	14⅜	— ⅛
53442	Noranda I	$23	22¾	22⅞	— ⅛
8685	Norcen	$26½	26⅜	26⅜	— ⅛
316996	Nova Cor f	$10⅝	10½	10½	— ⅛
7200	Nowsco W	$14½	14½	14½	
12300	Onex C f	$15⅞	15⅝	15⅝	— ⅛
1600	Oshawa A f	$28⅞	28⅝	28⅝	— ⅛
59527	PWA Corp	$17⅛	16¾	16⅞	— ⅛
5000	PanCan P	$28⅛	28	28⅛	+ ⅛
189307	Placer Dm	$17⅞	17⅝	17⅝	
29000	Poco Pete	$8⅞	8⅝	8⅝	+ ⅛
1000	Que Sturg o	120	120	120	+ 5
6921	Rayrock f	$8⅞	8	8⅞	
23550	Renisanc	$18⅝	18⅝	18⅝	— ⅛
176	Rogers A	$149	145	149	+2½
10540	Rogers B f	$116½	115½	115½	— ¼
600	Roman	$12⅛	12⅛	12⅛	+ ⅛
2000	Rothman	$62⅛	62⅛	62⅛	— ¼
120082	Royal Bnk	$45⅝	45¼	45½	+ ⅛
36145	Ry Trco	$18⅛	17⅞	18	— ⅛
29144	Sceptre R	495	490	495	+ 5
7175	Scotts f	$19⅝	19⅜	19⅜	
32150	Sears Can	$14⅝	14½	14½	
10903	SHL Systm	$10⅞	10⅝	10⅝	— ⅛
71160	Shell Can	$45	44⅝	44⅝	— ½
7708	Sherritt	$11⅞	11⅝	11⅞	+ ¼
73400	Southam	$34⅞	34⅝	34⅝	
12112	Spar Aero f	$12⅞	12⅝	12⅝	
11238	Stelco A	$22⅞	22¼	22¼	— ⅛
36175	TCC Bev	$10⅞	10½	10⅝	+ ⅛
50	Teck Cor A	$23	23	23	+ ½
15274	Teck B f	$21⅝	21	21⅝	+ ⅛
185932	ThomCor	$19⅞	19⅝	19⅝	— ⅛
427363	Tor Dm Bk	$22⅝	22⅛	22⅛	
5675	Torstar B f	$37⅞	37	37⅞	+ ¼
825	Trns Mt	$16⅝	16⅜	16⅝	+ ⅛
62900	TrnAlta U	$15	14⅞	14⅞	
108810	TrCan PL	$14⅞	14⅝	14⅝	— ⅛
2345	Trimac	470	465	470	
12335	Trilon A	$21⅞	21½	21½	— ⅛
9287	Trizec A f	$27⅞	27⅝	27⅞	+ ⅛
310450	Turbo	78	76	77	+ 1
870	Unicorp A f	$7⅛	7	7⅛	
500	Un Carbid	$23⅞	23⅝	23⅝	
3866	U Entprise	$10⅞	10½	10⅞	
400	U Keno	350	350	350	
7901	Westmin	$9⅝	9¼	9⅝	+ ⅛
400	Weston	$42¼	42	42¼	

Total sales: 1,419,618 shares

	Close	Previous
TSE 300 Index:	3,893.83	3,901.40

Montreal *July 24*

Sales	Stock	High	Low	Close	Chg.
60437	Bank Mont	$33⅝	33¼	33⅜	
1700	BombrdrA	$14⅝	14½	14⅝	+ ⅛
105873	BombrdrB	$14⅝	14⅜	14⅝	+ ⅛
34100	CB Pak	$19⅞	19⅝	19½	+ ⅛
12850	Cascades	$07	06⅞	06⅞	
8085	DomTxtA	$16¼	16⅛	16¼	+ ⅛
6930	Memotec	$10⅛	10	10	— ⅛
46488	NatBk Cda	$15	14¾	14¾	— ⅛
10319	Noverco	$12½	12⅜	12⅜	
28750	Power Corp	$15⅞	15⅝	15⅞	+ ⅛
10062	Provigo	$10⅝	10½	10⅝	
4750	SteinbrgA	$50	49½	49⅞	+1⅛
6470	Videotron	$19½	19⅜	19½	

Total Sales 7,524,068 shares.

	Close	Previous
Industrials Index:	1,656.82	1,651.87

The Daily Source for International Investors.
Herald Tribune

SPORTS

Sweden Has Losses to Avenge In Replay of Davis Cup Final

Reuters

BASTAD, Sweden — Mats Wilander's reward for helping Sweden safely through its Davis Cup semifinal is another shot at Carl-Uwe Steeb, the West German who humiliated him last year.

Steeb, who came back from two sets down to beat Wilander as West Germany took the Cup from Sweden in the 1988 final, played a crucial role in helping his team beat the United States, 3-2, in the other semifinal last weekend.

He beat Andre Agassi in the fourth match Sunday in Munich to clinch the victory.

Stefan Edberg, Wilander's teammate, also will relish the prospect of revenge in the December final. He should face Boris Becker, the man who took away his Wimbledon title two weeks ago.

An ankle injury restricted Edberg to the doubles against Yugoslavia in Bastad.

The West Germans, as reigning champions, will be playing at home in the final.

Despite that advantage, team captain Niki Pilic said victory over the Swedes would be hard.

"How can we be favorites?" he said. "Edberg and Wilander are great players. On ranking, they are higher than us. We have a good chance, but you cannot say we are favorites."

The Swedish captain, Jonte Sjogren, was delighted to see Wilander, whom he coaches, back in form after months of injury and self-doubt. Sjogren was confident his team could repeat their 1985 success when they upset West Germany in the Cup finals in Munich.

"If we play well, we will win by 3-2 at least," Sjogren said.

But one problem needs attention in the next five months. Anders Jarryd, ranked second in the world in doubles, and Edberg looked rusty as a pair and lost in four sets to the less experienced Goran Ivanisevic and Goran Prpic.

"If Sweden is to win the doubles in the Davis Cup final, it has to be Anders and Stefan, and I hope it can be arranged for them to play doubles in a tournament before then," Sjogren said. "Stefan and Anders didn't play well here, but they are good doubles players."

SIDELINES

3 Hong Kong Jockeys Get Jail Term

HONG KONG (AFP) — Three Hong Kong jockeys were each sentenced to 18 months' imprisonment Monday at the end of a major race-fixing trial. Tam Man Chau, Chan Yuk Pui and Wong Yun Sang had been found guilty Saturday of various charges of conspiracy to cheat at gambling from 1984 to 1986.

The jury was unable to reach a verdict on the fourth defendant, businessman Bill Chan Wai Lim, and a retrial for Chan was ordered.

All four were alleged to have conspired with the self-confessed head of a race-fixing syndicate, Yang Yuan Loong.

Soviet Soccer Players Unionizing

MOSCOW (Reuters) — Soviet soccer players and managers have voted to form a professional union, Soviet news reports said Monday. The Communist Party newspaper Pravda said the new union would help care for players and veterans and promote the game.

Soviet soccer players are officially amateurs, tied to other organizations such as the army, the KGB and the trade unions. But players have been pushing for more freedom to switch teams, and some squads are moving toward self-financing, semi-professional status.

For the Record

Zina Garrison won the $200,000 Virginia Slims tennis tournament at Newport, Rhode Island, on Sunday, defeating Pam Shriver, 6-0, 6-1. *(AP)*

Andrew Gaze scored a game-high 27 points Monday to lead the Australian national basketball team to a 120-115 victory over a team of former NBA All-Stars headed by Kareem Abdul-Jabbar. *(AP)*

All of the 87 random dope tests carried out during the Tour de France cycling race were negative, organizers said Monday. *(AFP)*

Amy Alcott shot her fourth straight 68 on Sunday to win the Boston Five Classic by three strokes with a 16-under-par 272 total at Danvers, Massachusetts. *(AP)*

Quotable

Tom Watson after a round of golf at the British Open: "I'm playing good. I don't know why the hell it's happening, but it's happening." *(AP)*

Borg's Grip On Empire Is Slipping

The Associated Press

STOCKHOLM — Bjorn Borg's fashion-based business empire, built on the earnings of a 10-year tennis career, is collapsing after Borg rejected a rescue offer of fresh capital, his partner said Monday.

Borg, 33, said he turned down the offer for fear of losing control and was negotiating other financing to keep his companies afloat.

"I remain committed to the business and am in the process of trying to reorganize the management and corporate structure of the group," Borg said in a statement.

Lars Skarke, who has a 25 percent stake in Borg's companies, said the group was facing a "a shortage of liquidity which is forcing the closure of the group."

Bjorn Borg Design Group produces an exclusive line of designer fashions, shoes and accessories, and has real estate interests in Sweden. The company needs an infusion of cash to meet orders and finance further expansion, Skarke was quoted as saying in the Aftonbladet newspaper.

Borg turned down an offer of 30 million kronor ($4.6 million) by the Mercurius-Group AB to buy into the Jersey-registered holding company, Bjorn Borg Enterprises Ltd.

A Man of Optimism Who Rode Beyond His Hopes

By Samuel Abt
International Herald Tribune

PARIS — With a nervous laugh, Kathy LeMond said she could not sleep during the night last week after her husband had regained the yellow jersey that symbolizes overall leadership in the Tour de France.

"I kept lying in bed, trying to think if there ever was an athlete who was so seriously injured and came back to the top level, and I couldn't think of anyone," she said as the bicycle race made its way toward its surprising finish on Sunday in Paris, where her husband overcame a 50-second deficit to win the Tour for the second time.

"I could think of a tendon injury or something minor — a broken leg — but not where your whole body was involved. He had to completely rehabilitate his whole body after the shooting."

"No matter what happens in Paris, we agree that he did a miraculous thing this year and I'm sure he'll be unbeatable next year."

Mrs. LeMond was seated downstairs in one of the many cheap hotels — this one in Alpe d'Huez — that the Tour de France uses to house its teams.

Upstairs, a few minutes later, her husband finished his post-race shower and made his way down some rickety stairs to a small room for his daily massage. With a pleasurable grunt, Greg LeMond settled onto his back and agreed that his wife was right.

"To get to where I am now, I had to suffer a lot, I had to really push myself," he said. "I'm getting paid for it with these results." He ranked second then in the field, behind Laurent Fignon, the Frenchman whom he beat by 58 seconds in the time trial from Versailles to the Champs-Elysées on Sunday.

"If I'm lucky, with no more injuries, I should be as strong, even stronger, next year," LeMond judged.

He ticked off his many setbacks since he became the first American to win the Tour de France in 1986, when he was 25 years old.

First was the accidental shooting in April 1987 while he was hunting wild turkeys in California with an uncle and a brother-in-law. As LeMond, wearing camouflage gear, rose from behind a hedge, his brother-in-law fired at the movement from 30 yards away.

More than 60 buckshot pellets hit LeMond. By the time a police helicopter flew him to a hospital, he estimates that he was within 20 or 30 minutes of death from bleeding and shock.

About 30 of the pellets remain in his body, mainly in his back and legs, although two are lodged in his heart lining. "No problem," LeMond says. "Or, at least, that's what the doctors tell me."

Four months later, when he was starting to ride again, he needed an emergency appendectomy and his bicycling year was over. In 1988, when he was riding well again in the spring, he fell in a race in Belgium and developed an infection of his right shin. By the time he had surgery, he was out of the Tour de France for the second year.

This season started slowly with poor placings in the spring classics, or one-day races, and in the Tour de Trump in the United States. As late as June, LeMond was being dropped, or left far behind, in mountain stages of the Giro d'Italia, where he finished 39th — although he did finish second in the final time trial there.

By the time the Tour de France started July 1 in Luxembourg, LeMond ranked on nobody's list of favorites, including his own.

"I had no idea I was going to ride this well," he said as the masseur began to knead his feet. ("Careful!" LeMond said. "They still hurt.")

"Really no idea at all. I had some hopes I was maybe going to win a stage, maybe a top-20 finish. I was really going to be happy with that."

Now he had won his stage, a long time trial, or race against the clock, on July 6 and had ridden consistently well. With a few days left before the finish, he remained hopeful that he might still win the Tour.

"I want it all," he admitted. "I really want to win this race."

Agence France-Presse

Greg LeMond, holding one of his two sons, Geoffrey. His post-victory euphoria grew out of the pain and frustration of a cycling comeback even he had doubted.

BUT, EVEN IF HE COULD not, he was satisfied. "You have to look where I've come from, you have to look at what I expected to do in this race," he continued. "Overall, I'm very happy."

"Even if I'm second, I have to say that it's as big an achievement as my winning in 1986. Or bigger. Because when you have three, four, five years to work yourself into victory, that's one thing. But to all of a sudden just turn yourself around . . . " He moved his body a bit, turned his head to stare out the second-floor window at the Alps and smiled broadly.

"There were many moments when I had doubts about making it back," LeMond confessed. He is strongly optimistic by nature and, as his wife puts it, "always able to find something good in the worst possible situation."

"Not doubts exactly," he continued, "more frustration. I was so frustrated."

"I would train well, do everything I thought was right and find myself in a holding pattern. After the surgery last year, I did so many races where I had no training, no conditioning."

"Every time I raced I was always at my maximum and was always dropped. That was the most difficult part."

During the Giro, or Tour of Italy, this spring LeMond had a blood test and found that he was low in iron, which he said is "a binding product for oxygen."

"I took an iron supplement that night, an injection by the doctor," he said. "The next day I felt the improvement. And from that point on, I could feel I was improving that I was getting oxygen."

"Before that, on the smallest hill, I was gone." He made a strangling noise, like a man in great pain.

"Now it's going fine. For my first time back in the Tour de France, I can't complain."

The LeMonds spent last July in Wayzata, Minnesota, where their home is on a lake. "Last summer was the best summer of our lives," Kathy LeMond said.

"Greg had a cast because of his operation so he went fishing because he couldn't ride his bike and he spent the whole day with me and the kids." They have two sons, Geoffrey, 5, and Scott, 2, and are expecting a baby in October.

"We said, 'This is what life is like when you're not doing the Tour de France.' We agreed that it was the best summer of our lives."

"But this is what he really wants to do," she continued, gesturing at the hotel packed with racers and fans. "We can always do the other again in four or five years."

LeMond agreed completely. "We had a great time last summer," he said.

Did he wish he were back in Minnesota now? "No, no, no," he said hurriedly. "I'd much rather be here."

"I love the Tour de France. It's so hard, it's so mentally hard, so physically hard. But when I'm doing well, it's fine."

"I don't like cycling when I'm not riding well. I have to admit you suffer too much. I'm only going to race another four years, maybe another five, and I want to do the best I can for another four, five years."

"I think I would regret it if I didn't put out 100 percent in this sport. I feel I have put out 100 percent the last two years: a heck of a lot of training, a heck of a lot of suffering, a heck of a lot of pain to get to where I am now."

"In the last two years I've noticed that smile, that sly smile, on a lot of people's faces," he went on. "There's a kind of happiness that some people had, 'See, I told you that he'll never come back.'"

"The best thing is now I have results. I knew I would have the last say." He rolled over onto his stomach and closed his eyes as the massage continued.

CHESS

By Robert Byrne

WHEN the former world champion Anatoly Karpov of the Soviet Union met the Dutch grandmaster Jan Timman in the Fifth World Cup Tournament recently, it was a case of stubbornness.

Timman chose the Gruenfeld Defense, knowing full well that Karpov was better prepared for it than for any other game. Karpov had to steep himself in its intricacies when the world champion, Gary Kasparov, threw it at him repeatedly in their fourth title match in the fall of 1987.

But Timman had a vested interest in the branch of the Gruenfeld that Karpov had come to favor. It was the Dutchman who had first introduced the specific form of it into tournament play 10 years ago.

As for Karpov, he refused to give up the intensively worked-over Gruenfeld variation in question.

The Classical Exchange Variation Gruenfeld, 4 cd Nd5 5 e4 Nc3 bc, yields White the pawn center and Black pressure against it with the c pawn backed up by pieces.

Karpov has never liked to offer speculative gambits and thus would not play 12 Bd3 cd 13 cd Be6 14 d5!? Ba1 15 Qa1 f6. But he is quite happy to accept Black's supposedly positionally correct gambit with 12 Bf7!? Rf7 13 fg. He evidently believes that with enough persistence, he can nullify Black's superior mobility, guard his king and find some kind of use for his extra doubled pawn in an endgame.

In four games that started this way in his Seville match with Kasparov, each player won one game and drew two. But last year, he defeated Kasparov to take an edge in their Exchange Gruenfeld series.

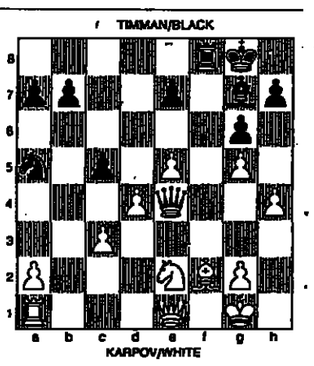
The move 15...Qd5 threatened to recover a pawn with 16...Qe4. The move 16...Rd8 threatened the same result with 17...Be5!

Karpov's 17 Qc2 was introduced by him against Kasparov in Amsterdam a year ago, but the result was a draw, and he later replaced it with the little finesse, 17 Qa4 b6 18 Qc2. His return to 17 Qc2 now surely means two things, one being that he thinks he can win the endgame after 17...Qc4 18 Qb2 Bb6 19 h4 Qf7 20 Kg1 Rf8 21 Ng3 Nc4 22 Qe2 Qf2 23 Qf2 Be3 24 Qe3 Ne3, although he did not against Kasparov.

The second point appeared after Timman's 19...Rf8 20 g5 Qd3 21 Qb1 Qe3 22 Qe1 Bg7 23 Kg1 Qe4, namely, 24 Ng3! Now, a retreat with 24...Qd5 was necessary, even though White would slowly but surely get his pieces into the game with 25 Qe2, 26 Rd1 and 27 Ne4.

So quite understandably, Timman sought to recover his pawn with 24...Qh4, but after 25 Ne4, he could not well play 25...Qg4 25 Nc5 Qg5? because of 26 Ne6. His solution was to give up the exchange with 25...Rf2 26 Nf2, but against Karpov's sterling technique, this was futile.

On 27 Rd1!, the capture 27...dc? was unplayable in view of 28 Qc3 Nc4 (or 28...Nc6 29 Qb3 Kh8 30 Qb7) 29 Rd8 Kf7 30 e6! On 28 Qe3, the try 28...Nc4 would lead to 29 Qd4! Qd4 30 cd d2 31



Position after 23 . . . Qe4

Ne4 h6 32 Nd2 with a won endgame for White.

After 34 Kh1, the capture 34...Ne6 would have been crushed by 35 Rf1! Timman gave up.

GRUENFELD DEFENSE

White Karpov	Black Timman	White Karpov	Black Timman
1 d4	Nf6	18 Qb2	Bh6
2 c4	g6	19 h4	Rf8
3 Nc3	d5	20 g5	Qd3
4 cd	Nd5	21 Qb1	Qe3
5 e4	Nc3	22 Qe1	Bg7
6 bc	Bg7	23 Kg1	Qe1
7 Bc4	O-O	24 Ng2	Qh4
8 Nc2	c5	25 Ne4	Rf2
9 O-O	Nc6	26 Nf2	cd
10 Be3	Bg4	27 Rd1	d3
11 f3	Na5	28 Qe3	Nc6
12 Bf7	Rf7	29 Nd3	Qa4
13 fg	Rf1	30 Qf3	Qa5
14 Kf1	Qd6	31 e6	Nd8
15 e5	Qd5	32 Nf4	Be5
16 Bf2	Rd8	33 Nd5	Qc5
17 Qc2	Qc4	34 Kh1	Resigns

BOOKS

YOU GOTTA HAVE WA

By Robert Whiting. 224 pages. $17.95. Macmillan, 866 Third Avenue, New York, N. Y. 10022.

Reviewed by Bill Dwyre

THE concept of kamikaze pilots has most certainly baffled the American mind ever since World War II. So it is ironic that one of the best explanations of that Japanese approach to war comes in a book on the game of baseball. "You Gotta Have Wa" (*wa* means team harmony), by Robert Whiting.

In Whiting's book, baseball is everything to the Japanese, including war. Their approach to the Great American Pastime is tense and militaristic. And the joy they seem to glean from it is consistent with their approach.

Whiting offers a fascinating collection of anecdotes that adds up to a nicely researched and written book that goes beyond the games and the clichés and into some intriguing sports sociology.

There are the Japanese heroes:

Sachio Kinugasa, who stepped onto the field in the Japanese major leagues Oct. 18, 1970, and did not step off again until he retired Oct. 22, 1987. In that time, he broke Lou Gehrig's consecutive game record of 2,130 with 2,215 of his own, and even kept playing the day after a pitch broke his left collarbone.

Shinechi Ishimaru, the 20-game-winning pitcher turned kamikaze pilot, whose heroics became legendary when he demanded to throw 10 strikes to a hastily recruited catcher on his aircraft carrier before flying to his death.

And there are the American anti-heroes, the *gaijin* (foreigners).

Reggie Smith, the volatile former Dodger whose flamboyant personality flew right in the face of the Japanese way. The Japanese have a saying: "The nail that sticks up shall be hammered down." Eventually, Smith was, and left Japan.

Randy Bass, arguably the most successful *gaijin* to play Japanese baseball, who got to within one home run of the fabled Sadaharu Oh. In the final game of the season, his last chance to tie the record of 55 homers in a 130-game season, he was thrown nothing but horrible, unhittable pitches. The manager of the opposing team that night was, of course, Oh himself.

Bass eventually left Japan because his 8-year-old son was suffering from a brain tumor. When he was criticized for putting family before team and for demanding that the medical insurance his contract called for be paid, the rift was too wide for him to return. And if there ever had been a chance it ended when an official of his Japanese team, on returning from a negotiating session with Bass, leaped to his death from a hotel balcony.

Whiting captures all that and more in a wonderful narrative manner. He ends up with a picture of a Japanese culture so built around face-saving and groupthink — not to mention an American baseball culture built around ego and greed — it is a wonder the two cultures come close to coexisting in the game.

Bill Dwyre is sports editor of the Los Angeles Times.

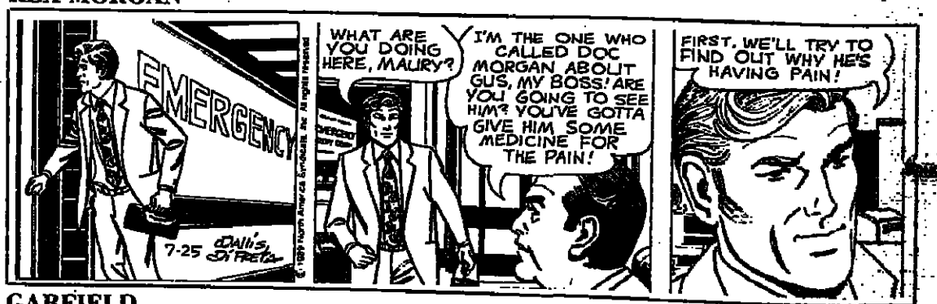
PEANUTS

BEETLE BAILEY

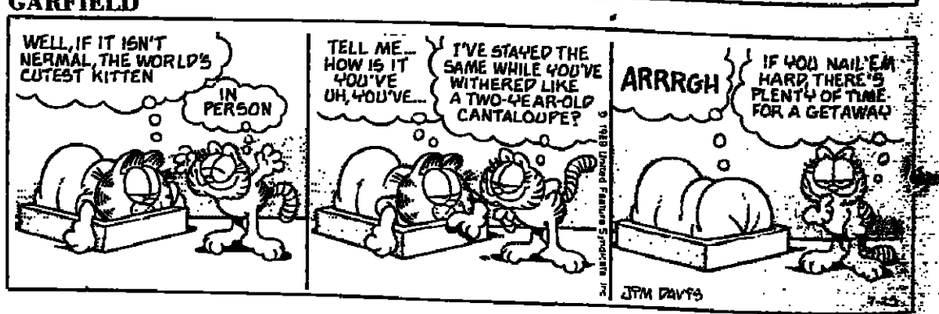
ANDY CAPP

WIZARD of ID

REX MORGAN



GARFIELD



DOONESBURY

DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

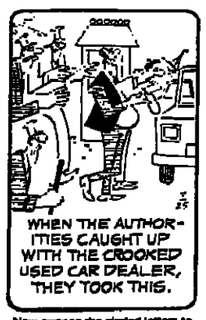
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

YETID

KAQUE

MIDOWS

NOGALS



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

ANSWER: THE ____ OUT OF HIS "____"

(Answers tomorrow)

Yesterday's Jumbles: KNAVE HEFTY MADMAN BRANDY
Answer: What that canine pair did when Noah's Ark came to the end of its voyage— "DE-BARKED"

هكذا من الأصل

SPORTS

Calcavecchia's British Title Whets Hunger for Ryder Cup

The Associated Press

TROON, Scotland — He has won two tournaments in the United States this year and is well in front in the Player of the Year standings. But Mark Calcavecchia, even after his British Open victory on Sunday, said his major goal of the year remains.

"If we don't win the Ryder Cup, there'll be a hole in the year," Calcavecchia said Monday.

"I said early in the year that I'd rather win the Ryder Cup than a major," he recalled. "Well, when I said that, I didn't expect to win a major. You don't expect that. At least, I don't."

Winning the British Open in a three-man, four-hole playoff was "the ultimate," Calcavecchia said before boarding a plane for the flight home to Phoenix, Arizona. "But the Ryder Cup is important to me; crucial. I played on the last Ryder Cup team. It was the greatest experience of my golf career. And we lost."

"It is the team thing," he said. "We all get together, and we're playing for the same thing and we pull together and get to know each other. It's the greatest thing that's happened to me in golf. And that was on a losing team."

"I want to find out what it would be like on a winning team. It's got to be a blast."

The biennial Ryder Cup competition, matching 12-man teams from the United States and Europe, will be held at the Belfry in England on Sept. 22-24. The Europeans have won the last two matches, breaking a 20-year American domination. *(See Scoreboard)*

Those victories, along with the success of such stars as Seve Ballesteros of Spain, Nick Faldo and Sandy Lyle of Britain and Bernhard Langer of West Germany, have given rise to the perception that Europe — not the United States — is now the dominant force in world golf.

Calcavecchia has been among the most outspoken supporters of American golf, and it was on his mind Sunday when he defeated Australians Greg Norman and Wayne Grady in the playoff. He was the first American to win the British Open since 1983.

"I was thinking it's been a long time since we won it," he said. "I thought I had to get an American name back on that trophy. I thought of it — a lot."

He said he also had thought of the personal consequences of his first major victory.

"I'm aware of golf burnout. I'm very aware of it. I've seen guys win a major, then run themselves to death, and in two years they can't break 80 and in three years they're out of golf."

"That's not going to happen to me. I won't let it. My schedule is set for the rest of the year. It won't change."

Dave Caulkin/The Associated Press

Mark Calcavecchia savors triumph at Troon.

"We'll see what happens next year. I'm not that fond of traveling out of the country. I like America. I'm not big about outings and Monday pro-ams and all that garbage."

"The money is important. But that's not what I'm playing for. Not any more. If you win golf tournaments the money will come. That's what I want to do, play golf and win tournaments. If I play the kind of golf I did last week, the money will take care of itself."

■ Strange and Beck Make Team

Curtis Strange and Chip Beck have mathematically clinched positions on the U.S. Ryder Cup team. Calcavecchia secured his spot last week.

Yankees Toss Ball Into Stands, Victory to Rangers

The Associated Press

ARLINGTON, Texas — Jesse Barfield's throw in the 10th inning landed in the stands and could have hurt someone. It killed the Yankees.

A two-base throwing error by New York's right-fielder with one out in the 10th on Cecil Espy's single allowed Rafael Palmeiro to score the winning run Sunday night, and lifted the Texas Rangers to a 5-4 comeback victory and a four-game series sweep.

Palmeiro had drawn a one-out walk from Dave Righetti, the loser, and had advanced to second on Espy's ground single to right.

Then Palmeiro had rounded second and was headed back to the bag when Barfield's wild throw flew over the head of Tom Brookens, the third baseman, hit the top of the dugout and skipped into the stands. The throw sent the Yankees to their sixth straight loss.

"I came up and charged the ball like I normally do, and it just took off," said Barfield, who leads major-league outfielders with 16 assists. "I tried to hit the target and it just went over his head. I feel bad for the team when we lose like that. It's a brutal feeling."

"It wasn't a real good game for 8½ innings," the Rangers' manag-

BASEBALL ROUNDUP

er, Bobby Valentine, said. "But our guys saw that Oakland and California won in the bottom of ninth this afternoon, so our guys weren't going to quit."

The Rangers trailed, 4-0, entering the bottom of the ninth.

Chuck Cary, the New York left-hander, had allowed just one hit over the first eight innings — a first-inning single by Scott Fletcher — and was looking for his first major-league complete game. He gave up a run on a walk and a hit, a double by Fletcher, in the ninth to bring on Righetti.

Julio Franco greeted Righetti with an RBI single. Then Reuben Sierra hit a home run on the first pitch to tie the game.

"If I could explain it I would, but I can't," the Yankees' manager, Dallas Green, said. "You've got to give the Rangers credit. They're the kind of team I'd like to have. We will somewhere down the line. One thing about baseball is that the sun always comes up in the morning and we'll have another chance to prove ourselves."

Bobby Witt threw a complete-game four-hitter for the Rangers, with 11 strikeouts and two walks. Witt had retired 12 of the first 13 Yankees before running into trouble in the fifth.

The Yankees got a leadoff walk and a fielder's choice before Bob Geren drove in Tom Brookens from second for the first run.

Alvaro Espinoza's single put runners on first and second, and Roberto Kelly followed with his sixth home run of the season, barely clearing the right field wall.

"He'd only thrown 112 pitches through nine," Valentine said of Witt. "I went over to him when it was 4-1 and they took Cary out and told him not to go anywhere, that he was going to go out there for the 10th."

Athletics 3, Orioles 2: In Oakland, California, Jose Canseco hit a home run for the third straight game, and Rickey Henderson doubled, stole his 40th base and scored on Mark McGwire's sacrifice fly in the sixth to give the A's a 3-0 lead. They needed it, as the Orioles' Cal Ripken hit a two-run home run in the seventh.

Angels 5, Tigers 4: In Anaheim, California, Wally Joyner was hit by a pitch with the bases loaded in the ninth to cap a two-run rally. The Angels swept the four-game series, winning each time in their final at-bat.

Mariners 5, Blue Jays 2: In Seattle, Alvin Davis hit a two-run triple to key a four-run third, and Randy Johnson, a rookie, struck out a career-high 12.

Indians 17, Royals 5: In Kansas City, Missouri, Dion James hit a home run and drove in five runs, and Brad Komminsk and Joey Belle each drove home four in Cleveland's highest-scoring game since 1986. A majority of the Royals' starters were out with injuries.

Cubs 9, Giants 5: In Chicago, Mark Grace and Andre Dawson drove in three runs each as San Francisco lost its third in four games.

Cardinals 3, Padres 2: In San Diego, Willie McGee doubled in two runs and Milt Thompson was 3-for-4 with an RBI as St. Louis swept a four-game series on the road for the first time in nearly seven years. The Cardinals' Jose Oquendo doubled in the fifth to extend his major-league-leading hitting streak to 21 games.

Pirates 2, Dodgers 1: In Pittsburgh, Jay Bell, batting .040, began the 10th inning with a double and scored one out later on a single by R.J. Reynolds as the Pirates split a doubleheader.

Baseball Hall of Famers Know They Didn't Get There Alone

By Ira Berkow
New York Times Service

COOPERSTOWN, New York — The man remembered the boy: In the eighth grade, in the small town of Binger, Oklahoma, in about 1950, he was short, had huge feet and a head and hands that were as big as they are now — and right now one of his hands can hold seven baseballs.

"I told people I wanted to become a baseball player," the man said, "and everybody laughed. And I guess Barnum & Bailey would have been the only people interested in me at the time."

The man is Johnny Bench and one day he indeed got to the big time, and was forever grateful it wasn't the big top. And Sunday, standing on the gaily bedecked porch of a well-known museum here in this charming village, he and two other former players, Carl Yastrzemski and Red Schoendienst, and an umpire, Al Barlick, received the highest level of recognition: induction into the Baseball Hall of Fame. *(See Scoreboard)*

Bench struck a chord that was sounded by the two other ball players, and that was of a dream realized, one that took sweat, but that couldn't have been realized without the help of others.

Sometimes, as the players remembered, their voices cracked with emotion.

"No man," said Yastrzemski, "is an island."

It was warm and sunny, and some 20,000 lively and often vocal onlookers in the area called Cooper Park greeted them with, "We love ya, Yaz!" and "Number one, Johnny!"

On the porch and seated behind the inductees were 26 returning Hall of Famers — stars like Ted Williams; Stan Musial; Bob Feller; Roy Campanella; Joe Sewell, holding a cane; Warren Spahn; Ralph Kiner; Cool Papa Bell; Willie McCovey; Johnny Mize; Duke Snider and Charlie Gehringer.

Bench, in a gray suit with red pin stripes and red tie and red breast-pocket handkerchief, and still looking young enough to catch a ball game at 41, spoke glowingly about the man who hit the longest home run he ever saw, and was the greatest ball player he ever saw: "My father."

Bench recalled a time as a boy when his father hit a ball into the cornfield next to the field where they were playing, and, Bench said, "We never did find that ball."

Heather Pillar/Reuters-UPI

Carl Yastrzemski acknowledging cheers at Cooperstown.

Yastrzemski recalled his rookie year with Boston in 1961. He was handed a task that he was unprepared for; he was to replace Ted Williams, who had retired the year before, in left field in Fenway Park.

"I was a scared rookie and hitting only about .220 after three months," he said. "I was doubting my ability and thinking I could never play major-league baseball."

He begged Tom Yawkey, owner of the Red Sox, to get Williams to help him, if he could. Yawkey said that Williams was fishing somewhere in Canada, but that he would get him.

"Ted came the next day — I don't know how he got there that fast," said Yastrzemski, "and he watched me take batting practice for two days." Williams, Yaz recalled, didn't say much, except to "follow the ball."

"But he really helped build up my confidence. I hit .300 for the rest of the season."

Yastrzemski talked about how lucky he had been, particularly with his choice of parents: his father, who was there, and his mother, who is deceased.

Yastrzemski said his father also had been a great ballplayer but had to suppress his desires to earn a living for the family. He "sacrificed for others" during the Depression years, and his son, now looking down at him from the podium, said he appreciated it very much.

"I'm often asked how I could stand up to the rigors of the pressure of baseball," Yastrzemski said. "I say, 'What pressure?' Pressure is what faces millions of parents every day in bringing up their families and giving them comfort and devotion and love."

Schoendienst, whose Hall plaque will read that he was a "sleek, far-ranging second baseman," recalled how 47 years ago he and three friends hitch-hiked a ride on a milk truck from Germantown, Illinois, to try out with the St. Louis Cardinals. "And I never thought that that ride would lead to Cooperstown and baseball's highest honor," he said.

There was another ride that was significant to him.

"It was 45 years ago that I was on the Grand Avenue street car in St. Louis and met Mary O'Reilly. Two years later, I signed her up."

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE
East Division

	W	L	Pct.	GB
Baltimore	53	43	.552	—
Toronto	48	50	.490	6
Cleveland	47	49	.490	6
Boston	45	48	.484	6½
New York	46	51	.474	7½
Milwaukee	45	52	.464	8½
Detroit	33	62	.347	19½

West Division

	W	L	Pct.	GB
California	58	38	.604	—
Oakland	59	39	.602	—
Texas	54	43	.557	4½
Kansas City	54	44	.551	5
Seattle	48	49	.495	10½
Minnesota	46	51	.474	12½
Chicago	40	57	.412	18½

NATIONAL LEAGUE
East Division

	W	L	Pct.	GB
Montreal	57	41	.582	—
New York	53	43	.552	3
Chicago	53	44	.546	3½
St. Louis	50	44	.532	5
Pittsburgh	40	55	.421	15½
Philadelphia	37	58	.389	18½

West Division

	W	L	Pct.	GB
San Francisco	58	40	.592	—
Houston	57	42	.576	1½
San Diego	47	52	.475	11½
Los Angeles	46	53	.465	12½
Cincinnati	45	53	.459	13
Atlanta	40	58	.408	18

Sunday's Line Scores

AMERICAN LEAGUE

Chicago 100 000 001—2 6 0
Boston 032 110 00x—7 11 0
Rosenberg, Patterson (4), Hillegas (8) and Fisk; Clemens, L.Smith (8) and Cerone. W—Clemens, 11-7. L—Rosenberg, 3-6. HRs—Boston, Kutcher (1), Esasky (15).

Minnesota 000 000 010—1 7 0
Milwaukee 010 201 00x—4 10 0
Viola, Berenguer (7) and Laudner, Harper (7); Filer, Crim (7), Fossas (8), Plesac (9) and O'Brien. W—Filer, 1-1. L—Viola, 8-11. Sv—Plesac (22). HRs—Milwaukee, Yount (11), Brock (5), Braggs (12), Deer (24).

Cleveland 200 250 332—17 16 1
Kansas City 210 101 000—5 12 1
Black, Yett (6), Steve Davis (7), Atherton (9) and Skinner; Gubicza, Leach (5), Crawford (7), Farr (9) and Macfarlane, Boone (4). W—Black, 8-7. L—Gubicza, 9-8. HRs—Cleveland, James (2), Komminsk (4). Kansas City, Tabler (1), Winters (2).

Baltimore 000 000 200—2 6 0
Oakland 000 201 00x—3 4 1
Ballard and Melvin; Storm Davis, Mo.Young (7), Burns (7), Eckersley (9) and Steinbach. W—Storm Davis, 9-4. L—Ballard, 11-5. Sv—Eckersley (17). HRs—Baltimore, C.Ripken (13). Oakland, Canseco (5).

Toronto 001 100 000—2 5 2
Seattle 004 000 10x—5 10 2
Key, Wills (7) and Borders; R.Johnson and Valle. W—R.Johnson, 4-2. L—Key, 7-11. HR—Seattle, Vizquel (1).

Detroit 002 000 110—4 12 1
California 000 300 002—5 9 0
Ritz, Henneman (8), Havens (9) and Heath; Blyleven, Montelcone (8), McClure (9) and Schroeder, Parrish (9). W—McClure, 3-1. L—Henneman, 6-4.

New York 000 040 000 0—4 4 1
Texas 000 000 004 1—5 5 0
Cary, Righetti (9) and Geren, Slaught (10); B.Witt and Sundberg, Kreuter (10). W—B.Witt, 9-8. L—Righetti, 2-3. HRs—New York, Kelly (4). Texas, Sierra (14).

NATIONAL LEAGUE
First Game

Los Angeles 010 120 000—4 6 0
Pittsburgh 000 300 010—3 6 0
Hershiser, J.Howell (8) and Scioscia, Dempsey (9); Kramer, Bair (8) and LaValliere. W—Hershiser, 12-7. L—Kramer, 4-4. Sv—J.Howell (19). HRs—Los Angeles, Scioscia (4), Daniels (3).

Second Game

Los Angeles 100 000 000 0—1 3 0
Pittsburgh 000 000 100 1—2 5 0
Wetteland, A.Pena (7), J.Howell (9), Crews (10), Searage (10) and Dempsey, Scioscia (8); R.Reed, Landrum (8), Kipper (10) and Ortiz, LaValliere (8). W—Kipper, 2-2. L—Crews, 0-1.

Atlanta 000 011 000—2 7 1
New York 400 300 00x—7 10 0
Valdez, Eichhorn (1), P.Smith (5), Assenmacher (7) and Benedict; Cone, West (7), Innis (9) and Sasser. W—Cone, 8-5. L—Valdez, 0-1. HR—Atlanta, L.Smith (15).

Cincinnati 201 000 001—4 11 1
Montreal 300 252 00x—12 14 3
D.Jackson, Sebra (5), Scudder (5), Birtsas (7) and Reed, Oliver (5); De.Martinez, Z.Smith (6), McGaffigan (8), Frey (9) and Fitzgerald. W—De.Martinez, 11-1. L—D.Jackson, 6-11. HRs—Cincinnati, Griffey 2 (6). Montreal, Wallach (7), Fitzgerald 2 (4), Galarraga (15), Brooks (7).

San Francisco 020 001 002—5 9 2
Chicago 210 033 00x—9 9 0
D.Robinson, McCament (5), Gossage (7) and Kennedy, Manwaring (4); G.Maddux, S.Wilson (6), Schiraldi (8) and Berryhill. W—G.Maddux, 10-8. L—D.Robinson, 8-7. HR—Chicago, Dawson (10).

Philadelphia 000 100 010—2 8 1
Houston 300 000 00x—3 6 1
Ruffin, Parrett (7) and Daulton; Forsch, Agosto (6), Andersen (8) and Biggio. W—Forsch, 3-3. L—Ruffin, 3-4. Sv—Andersen (2).

St. Louis 020 001 000—3 9 0
San Diego 000 010 100—2 8 1
Hill, Costello (7), Dayley (8), Worrell (9) and T.Pena; Hurst, Ma.Davis (8) and Santiago. W—Hill, 6-6. L—Hurst, 8-8. Sv—Worrell (12).

Hall of Fame Statistics

JOHNNY BENCH
Regular Season

	ab	r	h	2b	3b	hr	rbi	avg
1967	86	7	14	3	1	1	6	.163
1968	564	67	155	40	2	15	82	.275
1969	532	83	156	23	1	26	90	.293
1970	605	97	177	35	4	45	148	.293
1971	562	80	134	19	2	27	61	.238
1972	538	87	145	22	2	40	125	.270
1973	557	83	141	17	3	25	104	.253
1974	621	108	174	38	2	33	129	.280
1975	530	83	150	39	1	28	110	.283
1976	465	62	109	24	1	16	74	.234
1977	494	67	136	34	2	31	109	.275
1978	393	52	102	17	1	23	73	.260
1979	464	73	128	19	0	22	80	.276
1980	360	52	90	12	0	24	68	.250
1981	178	14	55	8	0	8	25	.309
1982	399	44	103	16	0	13	38	.258
1983	310	32	79	15	2	12	54	.255

Totals—7658 at bats, 1091 runs, 2048 hits, 381 doubles, 24 triples, 389 home runs, 1376 RBI, .267 average.

Played in 2158 games; caught 1744 games, played third base in 195 games, first base in 744 games, and outfield in 110 games.

Playoffs
NL Championship Series

	ab	r	h	2b	3b	hr	rbi	avg
1970 Cn	9	2	2	0	0	1	1	.222
1972	18	3	6	1	1	1	2	.333
1973	19	1	5	2	0	1	1	.263
1975	13	1	1	0	0	0	0	.077
1976	12	3	4	1	0	1	1	.333
1979	12	1	3	0	1	1	1	.250

Totals—83 at bats, 11 runs, 21 hits, 4 doubles, 2 triples, 5 home runs, 6 RBI, .253 average.

World Series

	ab	r	h	2b	3b	hr	rbi	avg
1970	19	3	4	0	0	1	3	.211
1972	23	4	6	1	0	1	1	.261
1975	29	5	6	2	0	1	4	.207
1976	15	4	8	1	1	2	6	.533

Totals—86 at bats, 16 runs, 24 hits, 4 doubles, 1 triple, 5 home runs, 14 RBI, .279 average.

CARL YASTRZEMSKI
Regular Season

	ab	r	h	2b	3b	hr	rbi	avg
1961	583	71	155	31	6	11	80	.266
1962	646	99	191	43	6	19	94	.296
1963	570	91	183	40	3	14	68	.321
1964	567	77	164	29	9	15	67	.289
1965	494	78	154	45	3	20	72	.312
1966	594	81	165	39	2	16	80	.278
1967	579	112	189	31	4	44	121	.326
1968	539	90	162	32	2	23	74	.301
1969	603	96	154	28	2	40	111	.255
1970	566	125	186	29	0	40	102	.329
1971	508	75	129	21	2	15	70	.254
1972	455	70	120	18	2	12	68	.264
1973	540	82	160	25	4	19	95	.296
1974	515	93	155	25	2	15	79	.301
1975	543	91	146	30	1	14	60	.269
1976	546	71	146	23	2	21	102	.267
1977	558	99	165	27	3	28	102	.296
1978	523	70	145	21	2	17	81	.277
1979	518	69	140	28	1	21	87	.270
1980	364	49	100	21	1	15	50	.275
1981	338	36	83	14	1	7	53	.246
1982	459	53	126	22	1	16	72	.275
1983	380	38	101	24	0	10	56	.266

Totals—11988 at bats, 1816 runs, 3419 hits, 646 doubles, 59 triples, 452 home runs, 1844 RBI, .285 average.

Played in 3308 games: played outfield in 2076 games, first base in 765 games, third base in 33 games, and designated hitter in 411 games.

Playoffs
AL Championship Series

	ab	r	h	2b	3b	hr	rbi	avg
1975	11	4	5	1	0	1	2	.455

World Series

	ab	r	h	2b	3b	hr	rbi	avg
1967	25	4	10	2	0	3	5	.400
1975	29	7	9	0	0	0	4	.310

Totals—54 at bats, 11 runs, 19 hits, 2 doubles, 0 triples, 3 home runs, 9 RBI, .352 average.

Major League Leaders

AMERICAN LEAGUE

BATTING (288 at bats): Puckett, Minnesota, .341; Lansford, Oakland, .329; Franco, Texas, .326; Boggs, Boston, .324; Sierra, Texas, .323; Steinbach, Oakland, .317; Baines, Chicago, .316; Sax, New York, .313; Yount, Milwaukee, .314; Moreland, Detroit, .306.

RUNS: R.Henderson, Oakland, 78; Sierra, Texas, 63; McGriff, Toronto, 62; Tettleton, Baltimore, 61; Deer, Milwaukee, 59; Gallagher, Chicago, 59; Greenwell, Boston, 59.

RBI: Franco, Texas, 70; Sierra, Texas, 70; Carter, Cleveland, 68; McGriff, Toronto, 65; B.Jackson, Kansas City, 64.

HITS: Puckett, Minnesota, 130; Sierra, Texas, 124; Sax, New York, 122; Franco, Texas, 117; Yount, Milwaukee, 117.

DOUBLES: Puckett, Minnesota, 31; Sierra, Texas, 28; Boggs, Boston, 27; Bell, Toronto, 24; Reed, Boston, 24.

TRIPLES: Sierra, Texas, 10; D.White, California, 9; P.Bradley, Baltimore, 9; Boggs, Boston, 6; Calderon, Chicago, 6; Reynolds, Seattle, 6.

HOME RUNS: McGriff, Toronto, 25; Deer, Milwaukee, 24; B.Jackson, Kansas City, 22; Tettleton, Baltimore, 21; Whitaker, Detroit, 20.

STOLEN BASES: R.Henderson, Oakland, 40; Espy, Texas, 35; D.White, California, 28; Guillen, Chicago, 27; Sax, New York, 27.

PITCHING (9 decisions): Swindell, Cleveland, 13-2, .867, 2.51; Blyleven, California, 10-2, .833, 2.32; Gordon, Kansas City, 11-3, .786, 2.83; Stewart, Oakland, 14-5, .737, 3.48; Moore, Oakland, 13-5, .722, 2.12.

STRIKEOUTS: Ryan, Texas, 146; Clemens, Boston, 143; Viola, Minnesota, 137; Bosio, Milwaukee, 111; C.Finley, California, 111; Gubicza, Kansas City, 111.

SAVES: D.Jones, Cleveland, 23; Plesac, Milwaukee, 23; Russell, Texas, 21; Schooler, Seattle, 20; Thigpen, Chicago, 19.

NATIONAL LEAGUE

BATTING (288 at bats): Larkin, Cincinnati, .340; T.Gwynn, San Diego, .328; W.Clark, San Francisco, .333; Guerrero, St.Louis, .302; H.Johnson, New York, .301; Oquendo, St.Louis, .298; Mitchell, San Francisco, .296; M.Thompson, St.Louis, .292; Butler, San Francisco, .291; O'Neill, Cincinnati, .287.

RUNS: H.Johnson, New York, 67; R.Thompson, San Francisco, 65; W.Clark, San Francisco, 65; Mitchell, San Francisco, 64; Butler, San Francisco, 59.

RBI: Mitchell, San Francisco, 85; W.Clark, San Francisco, 72; Guerrero, St.Louis, 62; H.Johnson, New York, 62; O'Neill, Cincinnati, 62.

HITS: T.Gwynn, San Diego, 130; W.Clark, San Francisco, 120; Larkin, Cincinnati, 107; Butler, San Francisco, 104; R.Alomar, San Diego, 104.

DOUBLES: Guerrero, St.Louis, 28; H.Johnson, New York, 28; Wallach, Montreal, 27; Bonds, Pittsburgh, 23; Hamilton, Los Angeles, 23; Murray, Los Angeles, 23; W.Clark, San Francisco, 23.

TRIPLES: R.Thompson, San Francisco, 9; Roberts, San Diego, 7; VanSlyke, Pittsburgh, 7; Bonilla, Pittsburgh, 6; Uribe, San Francisco, 6.

HOME RUNS: Mitchell, San Francisco, 32; H.Johnson, New York, 25; Strawberry, New York, 22; G.Davis, Houston, 21; E.Davis, Cincinnati, 18.

STOLEN BASES: Coleman, St.Louis, 41; Young, Houston, 33; T.Gwynn, San Diego, 29; O.Nixon, Montreal, 28; Dykstra, Philadelphia, 23; R.Alomar, San Diego, 23.

PITCHING (9 decisions): De.Martinez, Montreal, 11-1, .917, 3.23; Darwin, Houston, 10-2, .833, 1.86; B.Smith, Montreal, 9-3, .750, 2.07; Reuschel, San Francisco, 12-4, .750, 2.36; Scott, Houston, 15-5, .750, 2.52.

STRIKEOUTS: DeLeon, St.Louis, 119; Hurst, San Diego, 119; Smoltz, Atlanta, 118; Belcher, Los Angeles, 117; Hershiser, Los Angeles, 118.

SAVES: M.Davis, San Diego, 24; Franco, Cincinnati, 23; Williams, Chicago, 22; Burke, Montreal, 21; D.Smith, Houston, 21.

TRANSITION

BASEBALL
American League

BOSTON—Sold that Marty Barrett, second baseman, will begin 20-day rehabilitation assignment at Pawtucket, International League.

MINNESOTA—Optioned German Gonzalez, pitcher, to Portland, Pacific Coast League. Bought contract of Mark Guthrie, pitcher, from Portland.

OAKLAND—Released Bill Dawley, pitcher.

SEATTLE—Sent Dennis Powell, pitcher, outright to Calgary, Pacific Coast League. Recalled Mario Diaz, infielder, from Calgary.

TORONTO—Released Bob Brenly, catcher. Sent Steve Cummings, pitcher, outright to Syracuse, International League. Recalled Jeff Musselman, pitcher, from Syracuse. Bought contract of Francisco Cabrera, catcher, from Syracuse.

National League

HOUSTON—Put Dan Schatzeder, pitcher, on 15-day disabled list. Activated Rick Rhoden, pitcher, from 21-day disabled list.

LOS ANGELES—Put Kirk Gibson, outfielder, on 15-day disabled list. Activated Alejandro Pena, pitcher, from 15-day disabled list.

PITTSBURGH—Released Rey Quinones, shortstop. Recalled Jay Bell, shortstop, and Rick Reed, pitcher, from Buffalo, American Association. Sent Miguel Garcia, pitcher, outright to Buffalo.

BASKETBALL
National Basketball Association

L.A. CLIPPERS—Signed Ken Bannister, forward, to one-year contract.

UTAH—Released Tommy Collier, forward, and Monroe Douglas and Vince Hamilton, guards.

FOOTBALL
National Football League

ATLANTA—Agreed to terms with Shawn Collins, wide receiver, on series of four one-year contracts, and Keith Jones, running back. Waived Mark Carlson, tackle.

CINCINNATI—Signed Erik Wilhelm, quarterback, to three-year contract.

DALLAS—Agreed to terms with Randy Shannon, linebacker; Tim Jackson, safety; and Mike Lowman, running back.

DENVER—Signed Andrew Provence, nose tackle, Keith Kartz, offensive tackle; and Doug Weidell, guard.

GREEN BAY—Signed Vince Workman, running back, and Scott Kirby, offensive tackle.

INDIANAPOLIS—Signed Kurt Larson, linebacker; Wayne Johnson, quarterback; and William DuBose, running back. Cut Rafael Anderson, running back, and Walton Morgan, wide receiver.

KANSAS CITY—Signed Mike Bell, defensive end, to one-year contract, and Remi Watson, wide receiver. Waived Aaron Pearson, linebacker, and Jeff Lucas, offensive tackle.

NEW ENGLAND—Agreed to terms with Willie Scott, tight end, on one-year contract; Rodney Rice and Tony Zackery, defensive backs, on two-year contracts.

NEW ORLEANS—Signed Milton Mack, cornerback, to one-year contract; Michael Mayes and Calvin Nicholson, cornerbacks; Floyd Turner, wide receiver; and Joe Henderson, running back. Released Duncan Parham, tight end.

N.Y. JETS—Signed Ron Stallworth, defensive end, and Tony Martin, wide receiver. Agreed to terms with Titus Dixon, wide receiver. Waived Joe Dudek and Chuck Banks, running backs; Ralph Caldwell and Kirk Dodge, linebackers; David Jackson, receiver; and Darryl Wright, punter. Put Jeff Davis, linebacker; Adam Schreiber, center; and Rob Sterling, safety, on the physically-unable-to perform list.

PHOENIX—Signed Jim Wahler, defensive lineman, and Mike Zandofsky, offensive lineman, to three-year contracts; Joe Bostic, offensive lineman, and Jessie Clark, fullback, to one-year contracts, and Jeff Hunter, defensive end; Chris Becker, punter; and Ted Petrosky, running back.

PITTSBURGH—Signed Derek Hill, wide receiver, and Cornell Lake, strong safety. Agreed to terms with Terry Long, offensive guard, on contract.

SAN DIEGO—Signed Pat Davis, tight end. Agreed to terms with Vince Abbott, kicker, and Leonard Coleman, defensive back. Waived Chuck Faucette, linebacker; Gary Kowalski, offensive lineman; Cedric Hosea, running back; Kevin Biggers, cornerback; and Michael Scott, tight end.

SAN FRANCISCO—Put Jeff Fuller and Kevin Williams, defensive backs; Charles Haley, defensive end; and Michael Carter, nose tackle, on reserve, did not report list.

SEATTLE—Signed Vernon Maxwell, linebacker; Elroy Harris, running back; Travis McNeal, tight end; and James Henry and David Hollis, cornerbacks.

GOLF

Ryder Cup Standings

Leading European and United States Ryder Cup points standings after the British Open in Troon, Scotland:

EUROPE:

1. N. Faldo (England) 180,883.36, 2. I. Woosnam (Wales) 174,595.97, 3. R. Rafferty (N. Ireland) 165,541.82, 4. M. James (England) 145,293.39, 5. J-M Olazabal (Spain) 146,872.94, 6. S. Ballesteros (Spain) 121,892.68, 7. D. Durnian (England) 100,412.29, 8. S. Torrance (Scotland) 100,088.92, 9. M. Roe (England) 91,414.78, 10. C. O'Connor Jnr (Ireland) 91,190.48, 11. P. Walton (Ireland) 90,771.47, 12. B. Langer (W Germany) 87,114.89.

(Top nine gain automatic entry after German Open on Aug. 24-27. Captain Tony Jacklin chooses three remaining places).)

UNITED STATES:

1. M. Calcavecchia 847.5, 2. C. Strange 666.25, 3. C. Beck 642, 4. T. Kite 587.5, 5. P. Azinger 537.5, 6. F. Couples 518.542, 7. P. Stewart 475, 8. K. Green 465, 9. M. McCumber 419.167, 10. M. O'Meara 412.5, 11. S. Pate 391.667, 12. J. Sindelar 376.5.

(Top ten plus U.S. PGA champion, if eligible, gain automatic entry after PGA championship Aug. 10-13. Captain Ray Floyd chooses one remaining place. If U.S. PGA winner is already in team or is ineligible, Floyd has two personal selections.

TENNIS

Davis Cup

WORLD GROUP QUALIFYING
(In Mexico City)
Mexico 4, Soviet Union 1

Jorge Lozano, Mexico, def. Andrei Chesnokov, Soviet Union, 6-3, 6-0; Andrei Cherkasov, Soviet Union, def. Agustin Moreno, Mexico, 7-6, 6-4, 6-4.

(In Lima)
Australia 3, Peru 2

Jaime Yzaga, Peru, def. Jaime Stoltenberg, Australia, 1-6, 6-2, 6-1, 1-6, 9-7; Wally Masur, Australia, def. Pablo Arraya, 6-4, 6-4, 4-6, 6-2.

FINALS
America Zone Group II
(In Nassau, Bahamas)
Chile 4, Bahamas 1

Jose Antonio Fernandez, Chile, def. Mark Knowles, Bahamas, 6-0, 7-6 (7-4), 3-6, 7-5; Robinson Ureta, Chile, def. John Antones, Bahamas, 6-1, 6-3.

European Zone B
(In Copenhagen)
Italy 4, Denmark 1

Omar Camporese, Italy, def. Peter Flintsoe, Denmark, 6-7 (2-7), 7-6; Morten Christensen, Denmark, def. Claudio Pistolesi, Italy, 6-4, 7-5.

Africa Zone Group II
(In Accra, Ghana)
Ghana 4, Morocco 1

Frank Ofori and Emmanuel Padui, Ghana, def. Outieb Khalid and Mohamed Ridaoui, 7-6, 6-7, 7-6, 5-7, 6-4; Ofori def. Khalid, 6-4, 6-4, 3-6, 4-6, 7-5; Kolo Atiso def. Nadini Abdel Khalek, 4-6, 7-6, (9-7).

Asia-Oceania Zone Group II
(In Rawalpindi, Pakistan)
Pakistan 2, Thailand 1

Vilaya Samrej and Panomkorn Phadchuanli, Thailand, def. Rashid Malik and Hamaul Haq, 6-4, 6-7 (7-9), 7-6 (7-5), 5-7, [illegible]; Mushaf Zia, Pakistan, def. Thanakorn Srichaphan, 6-3, 6-4, 6-7 (2-7), 6-7 (5-7), 11-9.

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ART BUCHWALD

The Leaky Memory Bag

WASHINGTON — Memory is something we are all losing. Everyone I know complains about how much he or she is forgetting. Why can't we remember all the things we used to? This is the question scientists are asking of white rats all over America.

Dr. Colin Forbershare has been doing extensive research on the subject, although he cannot recall for how long.

Buchwald

He told me, "The brain is nothing more than a large vacuum cleaner. It sweeps up information as it goes along. At some time the bag gets full, and then you have trouble dredging up the one fact that you want to remember."

I said, "The brain can't just be a vacuum cleaner. That would make everything too simple."

Dr. Forbershare agreed. "You're probably right. I guess I'll have to get rid of my rats, which means 30 years of research down the drain. How about this instead? Let's say that memory holds the IN and OUT baskets of your mind. The facts go into the IN basket for retention and are pulled from the OUT basket for action. People's memories fail when their IN baskets spill over into their OUT baskets."

□

"Does our drinking water have anything to do with the loss of memory?"

"Water could have a lot to do with it. However, it's hard to generalize because some people are affected by the drinking water, and others are not.

"In Washington, everyone drinks the same water from the faucet, but the only ones who experience memory loss are those who are asked to testify in front of congressional committees."

"One of my biggest problems," I confessed, "is that I can never remember anybody's name, including members of my own family."

"That's not uncommon. None of the white rats I am working with can remember names either. Most of them don't even know mine."

He continued, "Let me explain how the memory of names works. Right in the middle of the head, just underneath the hairline, is the location of a person's Rolodex. It keeps track of every name heard by that person since birth. In the beginning, it's easy because we only record first names like Shirley, Ollie, Tiger, Fatty or Stinky. As time passes, more and more names are added. When a person reaches 40, the Rolodex is full. After that, whenever you meet someone new you have to drop a name already recorded. In order to accommodate the new name, you often wind up forgetting your boss's wife's name."

"I am guilty of that," I admitted.

□

"Memory does funny things. The mind prefers to remember the names of strangers and forget the name of the person's firstborn child," Dr. Forbershare told me.

"What about overload?" I asked. "Everyone says that the information glut is so great that the brain cannot absorb all the facts which are thrust at it every day."

"I don't discount overload. I have known rats who have been bombarded with so much data that they can't even remember Mickey Mouse's birthday. We are all just warehousing information. Scientists prefer to think of the human mind as an Apple computer: Everything a person sees and hears and even smells goes into the machine.

"But the more information a person puts into the computer, the slower his or her printer works. Some fact that you were unable to recall at a particular moment may come back two weeks later — usually at 3 in the morning when you're in bed."

□

Forbershare concluded, "What's interesting about the subject of memory loss is that no one talks about it unless another person brings it up. How do we know if we are losing our memories? Let's say you meet your next-door neighbor at the supermarket. He is a man with whom you have shared barbecues, car pools and touch football games. You say, 'Hi, Fred.' He looks astonished and tells you, 'My name is Sidney.' Then you start telling him the same story you told him two days ago. At this point you begin to suspect that the old memory bag has a hole in it."

Sex, Lies and Movies, And Fleeing Hollywood

By Aljean Harmetz
New York Times Service

LOS ANGELES — When most people would be arriving in Hollywood, Steven Soderbergh is leaving.

Instead of using his victory at the Cannes Film Festival to swap his San Fernando Valley apartment for a condo at the Marina — the first in a chain of real estate transactions that would inexorably end with an estate in Beverly Hills or Bel Air — the 26-year-old writer and director of "Sex, Lies and Videotape" is tossing a duffle bag into his 1960 Rambler.

His destination is Charlottesville, Virginia, where he lived between the ages of 10 and 13 and pitched a no-hit baseball game.

The saga of "Sex, Lies and Videotape," which opens Friday in the United States, seems more daydream than reality.

What if you made a complex, serious little film about the sexual impulses of men and women and how they deceive themselves and each other? What if you carried the first, barely finished print of your $1.2 million movie to the United States Film Festival in Park City, Utah — a festival that is combed each year by studio executives looking for talent — and it was the hit of the festival? What if your answering machine was stuffed with messages from those executives even before you went to Cannes and became the youngest director ever to win first prize? What if you were returning to Charlottesville with three important movie assignments?

"I was just stunned that people seemed to find something to relate to in the movie," says Soderbergh. "I thought it was too internal. Their reaction at Park City was my '10 Days That Shook the World.' I came out with a completely different idea of what could happen to me. I went in thinking, 'Maybe I can get a job directing another movie.' I came out thinking, 'Maybe I can get a job directing another picture I want to do.' "

He is wearing a shirt that reads, "Do the Right Thing." Spike Lee's movie of that name was also an entry in Cannes.

"Spike Lee is a brave man with a movie camera," he says. "We're setting out to do things that are so different, and he's setting out to do something that's more difficult. And his films have to make money. If you're a black filmmaker and your film doesn't make money it's harder to get another job than if you're a white filmmaker and your film doesn't make money."

Six months ago, at the festival in Park City, he seemed all gawky eagerness behind his wire-rimmed glasses. He has since received his first lesson in the penalties of success from Rolling Stone magazine, and he is a quick learner.

"I was not misrepresented," he says of the article. He was particularly disappointed in himself for babbling about the genesis of "Sex, Lies and Videotape." "Man, I was raised better than that," he says of the interview. "It's one thing for me to make a fool of myself, but I affected other people needlessly."

In the movie, John (Peter Gallagher) and Ann (Andie MacDowell) are a young married couple living in Baton Rouge, Louisiana. John is having an affair with Ann's competitive sister Cynthia (Laura San Giacomo). The delicate balance is broken by Graham (James Spader, named best actor at Cannes), a college friend of John's, who has punished himself for being a pathological liar by becoming impotent in the presence of women and compensates by making videotapes of women talking about sex.

In Park City, Soderbergh said, "Nothing in the film happened. I have never taped women. But it's all true. I was in a relationship two years ago where I behaved very much like John and hurt somebody I was very close to. It was ugly behavior."

Although he wasn't raised a Catholic, his parents having left the church by the time he was born, he says that he has inherited a sense of Catholic guilt.

"I'm glad I had that experience before I went to Cannes," he says of the article. "Suddenly the things I say are taken seriously."

Leaving Hollywood, he is carrying deals to write a script from and direct A.E. Hotchner's memoir "King of the Hill" for Robert Redford's company; to direct "Kafka," an original screenplay by Lem Dobbs that he has admired for years, for Barry Levinson's company; and, his first project, to write and direct a film from William Brinkley's novel "The Last Ship," for Universal Pictures. "The Last Ship" is to be produced by Sydney Pollack.

"Young filmmakers are sometimes like deer blinded by the spotlight as the truck is rushing toward them," says Casey Silver, president of production at Universal. When Silver was at Tristar in 1986, he gave Soderbergh his first movie assignment: to write a musical that was never made. "He was a thoughtful guy who had a point of view and who wrote well," says Silver. "Nobody knew who he was and nobody cared. Because he's now the new budding genius, he can probably attract a $5 million star for 'The Last Ship,' but he knows that the way you get control over your work is not to design it so it costs $40 million."

Like "Sex, Lies and Videotape," "The Last Ship" deals with the relationship between men and women. But this time the canvas is huge — the crew of a destroyer after World War III. "Their actions toward the opposite sex have enormous implications and repercussions," Soderbergh says. "The movie has to do with everyone who's left in the world."

Soderbergh has been making movies since he was 14, when his father enrolled him in a summer class at Louisiana State University. "By 1977, it became clear to me that Steven would never be the major-league baseball player he wanted to be," says Peter Soderbergh, who was then dean of the college of education at LSU in Baton Rouge. "Enrolling him was a strategic approach to direct his attention toward something that would be more productive. He was not enamored of the idea. After the second day, he never looked back."

Gary Moss/Outline

Soderbergh: "Suddenly the things I say are taken seriously."

One of six children, Steven Soderbergh had written a 150-page novel at the age of 12. "It was my 'Catcher in the Rye,' " he says. Between 14 and 17, he spent most of his time hanging around 22-year-old film students and borrowing their equipment.

"He did me the honor of continuing in high school and graduating, but it was clear to me he was only going through the motions," says his father.

Heading for Hollywood at 17, he got a job in the industry — holding up cue cards for a Showtime talk show and keeping score on a game show. He wrote a script about a teen-ager who was unable to relate to high school.

He returned to Baton Rouge a year later. "On the airplane flying over L.A., I felt like a complete failure," he says. "I realized I couldn't force it. I had to continue to make short films and teach myself how to write."

He worked as a coin changer in a video arcade and made "Rapid Eye Movements," an impressionistic account of his 15 months waiting for the phone to ring in an industry "where success is always determined by material gains."

He wrote five scripts, found an agent, and used the $50,000 he was paid by Tristar for the aborted musical "to buy everybody drinks" and make more short films.

In February 1987, he put an "abrupt halt to all the bad personal stuff" that would be the basis of "Sex, Lies and Videotape." Ten months later he returned to Hollywood, writing most of the screenplay for "Sex, Lies and Videotape" in motels as he drove west. He reached Los Angeles on Dec. 30. The first draft is dated Jan. 2, 1988.

A self-described obsessive, Steven Soderbergh scratches his curly hair and worries that his movie has been overpraised.

"I don't believe in the *auteur* theory," he says. "It's possible to have too much control."

But not too much control over one's life. Two hours later he stuffs a battered brown suitcase in his car trunk and heads out across the desert that separates Hollywood from the rest of the world.

PEOPLE

'It Don't Come Easy': Ringo Starr Opens Tour

Although kids got in free on the first night of Ringo Starr's Tour for All Generations in Dallas, the audience was dominated by the over-30 crowd. The former Beatle was backed by a graying constellation of rock stars, including the former Beatles collaborator Billy Preston, who played the organ on "Let it Be"; the Bayou singer Dr. John; the saxman Clarence Clemons and the guitarist-keyboardist Nils Lofgren, on loan from Bruce Springsteen's E-Street Band; and the guitarist Joe Walsh, a former Eagle. The 49-year-old Ringo opened the first show of his 30-city tour on Sunday, singing "It Don't Come Easy."

□

Pianist Haesun Paik last played Tchaikovsky's Piano Concerto No. 1 in public when she was about 16. Other musical interests replaced the Tchaikovsky for eight years, but then, she recalls, "I started working on it again last month." That work paid off Saturday night in the Kennedy Center Concert Hall in Washington. The Korean-born Paik won the $15,000 first prize of the University of Maryland's William Kapell Competition. Sylviane Deferne of Switzerland took the $10,000 second prize with Chopin's Concerto No. 2, and Andrew Wilde of England won the $5,000 third prize with the Concerto No. 1 of Brahms. It was the first time the judges had awarded a first prize since 1986.

□

Tenor Jose Carreras, who fought off leukemia with a bone marrow transplant in 1987, performed his first opera since the operation on Saturday, in Merida, Spain, singing Cherubini's "Medea" in a soldout amphitheater. It has been extremely hot in Merida, and Carreras reportedly fainted several times during rehearsals. But he appeared to be fine on Saturday when he sang Jason's role opposite the soprano Montserrat Caballé as Medea.

□

Rose Kennedy spent her 99th birthday posing for pictures with her namesake great-granddaughter, 1-year-old Rose Schlossberg, the daughter of Caroline Kennedy and Ed Schlossberg, at Hyannisport, Massachusetts. Rose, confined to a wheelchair and wearing a floppy white hat, was serenaded by a pianist playing "Sweet Adeline" and Irish songs.

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